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Policy Review

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STEPHEN HASELER

The Environmental Costs of Government Action
JOHN A. BADEN & RICHARD L. STROUP

Clientitus, Corpulence and Cloning at State— The Symptomatology of a Sick Department
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The Defense of the West
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The Dilemma of Conservatives in a Populist Society
ROBERT A. NISBET

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Inside Policy Review

STEPHEN HASELER is the author of *The Death of British Democracy* and *The Gaitskellites*. With Dr. Roy Godson of the Government Department of Georgetown University, he is the coauthor of the forthcoming *"Eurocommunism"—Implications for East and West* to be published this fall by Macmillan. Dr. Haseler received his Ph.D. from the London School of Economics and was a Labor Party Member of the Greater London County Council. He is on leave from the City of London Polytechnic where he is Principal Lecturer in Politics to serve as visiting professor at both Georgetown University and The Catholic University of America. His most recent article, "The Collapse of the Social Democrats" appeared in the December 1977 *Commentary*.

In this essay, Dr. Haseler discusses in detail the strategies of the Communist Parties of Italy and France and the implications of the recent "March events" for the future of Europe. He also outlines a counter-strategy for the West.

At this point the Communist Party in Italy has become a part of the "Parliamentary majority" and the French Communist Party, in the recent elections, has achieved its short-term objective of weakening its Socialist adversaries. These events put Communist Parties in Europe "nearer to real power than at any time since the inauguration of the Marshall Plan."

Western response to the Communist growth of power has been defensive, possessing "all the vitality and strategic incisiveness of a wet sponge." Instead, he urges, the West should adopt an "exclusionary" posture toward Communism, for instance, by making it clear that Communist participation in a country's government will preclude that nation's membership in NATO. Only if this stark choice between Communism and anti-Communism is forced can the advance of the Communist Parties of Europe be halted.

JOHN A. BADEN is an environmentalist, political economist, and sometimes a logger. He is currently Associate Professor of Political Science and Forestry at Utah State University. After receiving his Ph.D. from Indiana University, he has held visiting appointments in Economics, Political Science, or Forestry at Indiana University, University of Oregon, Montana State University and Oregon State University. He is the coauthor (with Garrett Hardin, Professor of Biology at the University of California, Santa Barbara) of *Managing the Commons* and of many articles in the field of natural resources policy. He is Director of the Northwest Center for the Study of the Political Economy of Natural Resources and operator-manager of a family ranch in Montana. His colleague, RICHARD L. STROUP, is Associate Professor of Economics at Montana State University. He did his graduate work in Economics at the University of Washington. His primary work is in the fields of natural resources and political economy; he has conducted research in the economics of air pollution, weather modification, water consumption in energy development, energy demands, forest management, recreation and fuel alcohol from grains.

In *Policy Review,* the authors discuss the growing conviction among many that natural resource management by the private sector has failed and the

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increasing demand for collective management to replace the "rapacious private exploitation of nature."

The market may have failed in some cases, they argue, but "market failure does not automatically imply that collective action is better." In fact, one cause of environmental problems in the market setting is the fact that resource prices are distorted when property rights are not enforced. In addition, many well-intentioned government policies result in harm to the environment.

They assert that resource management should remain centered in the private sector and attention should be concentrated on revising those institutions. "An imperfect market," they conclude, "may actually be the best available alternative."

ERNEST VAN DEN HAAG teaches criminology at the Law School of the State University of New York at Albany and sociology at the New School for Social Research. Besides contributing to many journals, including *Encounter* and *The Public Interest*, he is the author of several books, the latest being *Punishing Criminals*.

In this article, Dr. van den Haag discusses what he calls the "immense expansion of judicial power" in the U.S. Instead of protecting the rights of non-criminals, he maintains certain court restrictions on the power of law enforcement agencies concerning evidence and procedure, such as the exclusionary rule, serve to protect criminals.

JOHN KRIZAY, a Class 0-1 Foreign Service Officer, has just retired after 30 years of service. An economist by training, he is also Adjunct Professor of Health Economics at American University and coauthor of *The Patient as Consumer*.

In this article, Mr. Krizay discusses reasons for the erosion of the Department of State's influence in foreign affairs and suggests reforms which could make State into a "responsive and effective arm of the Executive Branch."

According to Mr. Krizay, the State Department's main problems are "clientitus, corpulence, and cloning." "Clientitis," or the tendency to treat certain countries as "clients" and stress bilateral relationships, results from the Department's division of responsibilities along geographic lines. "Corpulence," or the production of reports far beyond the level of the Department's collective reading capacity, results from an oversized staff of professionals competing for recognition. And "cloning," the incestuous method of selection and promotion within the Department, hinders new ideas and structural changes for improvement.

Mr. Krizay suggests specific details of a reorganization plan for the Department of State which would strengthen its effectiveness in foreign policy.

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CHARLES D. HOBBS is a former Chief Deputy Director of Social Welfare for California and was a principal architect of the California Welfare Reform program.

He here contributes a short essay to *Policy Review*, based on research from his new book, *The Welfare Industry*. He defines the goals of this "industry," which include rapid expansion, centralization of control in the federal government, and increasing complexity, and suggests certain principles for true welfare reform.

WINSTON S. CHURCHILL, II, is Shadow Deputy Minister of Defense in the British Parliament. A graduate of Christ Church, Oxford, he is the author of *First Journey* (with Randolph Churchill) and *The Six Day War*.

In this article, Mr. Churchill warns of the growing Soviet challenge to the West, as reflected in its recent arms escalation, assault against Third World countries, and continued campaign of political subversion aimed at undermining the Western democracies from within. "Detente" has been a diplomatic offensive on the part of the Soviets to persuade the West to lower their guard.

In rising to this challenge, the West must secure a serious arms-control agreement with the Soviets or else the countries of Western Europe which "have taken a free ride off the United States and have neglected their own defenses" must take a stronger part in building up NATO's arms capabilities.

Following the publication of Professor E. G. WEST's "Tuition Tax Credit Proposals: An Economic Analysis of the 1978 Packwood/Moynihan Bill," (*Policy Review*, Winter 1978) two other economists wrote brief essays expanding on some of the points touched upon, but not fully elaborated, in Professor West's article. Professor THOMAS SOWELL (University of California, Los Angeles) agrees with Dr. West that the Packwood/Moynihan tuition tax rebate legislation contains a "revolutionary potential for low-income groups," benefitting many more children whose parents earn $5,000-$15,000 a year and who attend pre-college institutions than higher-income college students. Also, he maintains, the shift of students from public to private schools, which operate on much lower budgets, would save billions of dollars for society as a whole.

WALTER E. WILLIAMS (Temple University) stresses the importance of the ability of parents to choose, for cultural, religious or other reasons, the schools their children attend. The recent increase in the number of black families sending their children to non-public schools emphasizes the fact that inner-city schools "produce a product *grossly* inferior to their non-public counterparts." The Packwood/Moynihan Tuition Tax Credit Bill would result in higher quality education, less motivation for the middle-class to flee to the suburbs, reduced educational expenditures for the nation as a whole and would stimulate voluntary school integration. (Dr. Williams is the author of the widely-quoted article "Government Sanctioned Restraints That Reduce Economic Opportunities for Minorities," *Policy Review*, Fall 1977.)

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ROBERT A. NISBET is Albert Schweitzer Professor of Humanities in Columbia University and was formerly Dean of the College of Letters and Science in the University of California, Riverside. Dr. Nisbet is the author of many books, including *The Quest for Community, The Sociological Tradition, The Degradation of the Democratic Dogma* and *The Twilight of Authority.* He has also recently contributed articles to *The American Scholar, The American Journal of Sociology* and *The Public Interest.* He is a member of the National Council for the Humanities.

In *Policy Review,* Dr. Nisbet defines conservatism by stressing its two major themes: the importance of the "separation of society from political state, that is, preservation of autonomy of society and its groups, along with the economy, from what Burke called arbitrary power"; and the focus on the "*social contexts* of human beings—family, religion, association, and so forth."

Dr. Nisbet discusses what he sees as a disillusionment with the "welfare state" and a rise of neo-conservatism which is coupled with "the conservative's dilemma in a populist society": his belief in conservative principles in the abstract while, in actuality, supporting liberal policies.

As a steppingstone toward a "genuinely free society," he argues that the corporation, as an intermediary between society and the state, must assume more responsibility in sponsoring work in education, the arts, research, and other areas of American culture and the private sector must assume "a stronger sense of responsibility to society at large."

Reviews of books were written by RAYMOND J. SAULNIER (Professor Emeritus of Economics at Barnard College of Columbia University, former Chairman of the Council of Economic Advisers, under President Eisenhower, and author of *The Strategy of Economic Policy* and other works), EDMUND J. GANNON (Ph.D. candidate in national security affairs at The Catholic University of America), DAVID SWOAP (Professional Staff Member, Finance Committee of the U.S. Senate) and CHRISTOPHER THIELE (editorial assistant, *Policy Review*). The Index was compiled by BEVERLY CHILDERS (assistant editor, *Policy Review*).

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Europe After the French Elections: A Counter-Strategy for the West

STEPHEN HASELER

March 13, 1978, was a somber day for European democracy. In Italy, a new and fragile minority Christian Democratic government, led by Giulio Andreotti, was sworn in at the Quirinal Palace after having been forced to accept the Italian Communist Party (PCI) as part of its "Parliamentary majority." The PCI had consequently achieved a notable, and perhaps decisive, breakthrough in its long march towards its strategic objective of an "historic compromise" with its Christian Democratic opponents. The Italian Communists now have, for the first time since 1947, a formal role in the decision-making process. Although still denied ministerial positions, they now have a *de facto*, if not a *de jure*, voice in the Italian government. In the early morning of the same day it became clear that France, too, had undergone a serious political change. Although the center-right, the "majority," had won an unexpected electoral victory in the first round of balloting for the French Assembly, the first signs of the result of the battle for the leadership of the French left (arguably more important than the total electoral picture) had become apparent.

Communists and Socialists in France

The center-right forces confirmed the trends of the first round of voting by achieving a majority of 90 seats over the "united left" a week later. Yet, although this surprisingly wide Parliamentary margin (which did not reflect the popular vote[1]) has stabilized the Fifth Republic for a while, the complete returns in France are no cause for rejoicing or for complacency. Certainly there will be no "united left" government for the next few years, but the French Communist Party (PCF) cannot be unhappy with the way things turned out.

The results of the election confirmed that the PCF has

1. In the second round of voting the pro-government parties collected 50.49 percent of the vote, while the "left opposition" collected 49.51 percent.

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achieved its main medium-term goal – a tactical advantage over its Socialist adversaries. The Socialists, led by Francois Mitterrand, expected to emerge from these elections as the major party in French politics and certainly as the dominant force on the left. Indeed, not only did they expect to, but they desperately needed to. A victory would have held this faction-ridden party together and would have established a base for further advance. As it turned out, however, their expectations of 28 percent or so of the vote on the first ballot were rudely shattered. They achieved only 22.5 percent, only two percent more than the Communist Party.

In terms of seats in the Assembly, the Socialists achieved only 18 more than the Communists, but 49 less than the Gaullists and 33 less than the Giscardians. Following this serious setback, their residual factionalism will surface again. Some of their leading figures will want to make overtures to the Giscard center; others will want to make their peace with the Communists. In short, the way is now open for the PCF to dominate French left-wing politics and to become the sole outlet for the discontents of Frenchmen with the "regime."

In fact, it is now becoming clear why the French Communists so abruptly shattered the *Common Program* (the "united left" platform with the Socialists) in the fall of 1977. Most observers were perplexed by this strange event. After all, the "united left" strategy seemed to place the Communists on the brink of government power for the first time since 1947. It seemed inconceivable that the Communists would put at risk the one mechanism, the *Common Program*, which could get them to a share of power – and all for the sake of a commitment to more extensive nationalization. The nationalization proposals of the agreed Communist/Socialist program seemed to be extensive enough, as they included the entire banking and credit industry and another nine large firms which dominate their respective market sectors. Yet, the Communists wanted even more; it was obviously a tactic to force the break-up of the *Common Program*. Now that the electoral dust has settled, these tactical maneuverings of the Communists become clearer. The aim was quite simple: it was to weaken, possibly fatally, the Socialists. And this hoped-for blow to the Socialists was more important to the Communists than becoming a junior partner in government.

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The fact was that the PCF became increasingly alarmed as it became clear that the agreement between Mitterrand and Communist leader Georges Marchais, initiated in 1972, was benefitting the Socialists more than the Communists. Of the 19 Parliamentary by-elections held between the 1973 general election and the end of 1976, the Communists improved their position in only five while the Socialists, who contested 15 of them, improved their position each time. Also, as the time for the next assembly elections came closer the Socialists seemed to be pulling away from the Communists as the major left-wing party. Indeed, so strong was the Socialist tide becoming that it appeared that Mitterrand was getting out of control. Communist visions of a "united left" government with themselves, at the very least, as an equal partner were soon under serious review. The Socialists had to be stopped in their tracks. Hence the sinking of the *Common Program*, suddenly, dramatically and without notice.

The reactions of the Socialists and the Communists to the results of the first round of voting (when it became clear that the center-right would, again, form the next government) seem to speak volumes. The Socialists, apparently and paradoxically (they had, after all, increased their vote from 19.2 percent to 22.5 percent), were disconsolate. Jacques Attali, Mitterrand's economic adviser, realized immediately the implications for the Socialists. "It is very bad," he reportedly declared. Mitterrand himself was desolated. He virtually accused the Communists of sabotaging the "united left" by their "polemics" against the Socialists in the period leading up to the election. Indeed, Georges Marchais, the Communist leader, had been extraordinarily vituperative about the Socialists and had treated them during the election campaign as though they were the main enemy. On the other hand, the Communist camp was obviously pleased with the results. Their vote held up. More importantly, the Socialists had failed. Georges Marchais was ebullient and confident as the results came in. *The Times* (of London) described PCF headquarters staff as being in "an aggressive and jolly mood." Yet, the left had lost!

Immediately after it was obvious that the "united left" was not going to win, the Communists moved swiftly to patch up their differences with the Socialists, whom they no longer

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feared. At the post first-round negotiations between the two parties, the Communists were remarkably conciliatory in marked contrast to their posture of only a few days before. They obviously wanted to limit any damage that might accrue to them from charges of sabotaging the left. They had, in short, achieved their objective. They now wanted to lead the left.

Instability in the Fifth Republic

Having secured its flank against the Socialists on the left, the PCF, as it surveys the total political picture in France, has some reason to travel hopefully. The 90-seat majority for the center-right does not, unfortunately, secure the political stability of the Fifth Republic. The forces of the center-right are still deeply split both ideologically and in terms of their strategic political objectives.

The Gaullists have been re-confirmed, albeit narrowly, as the largest component of the center-right coalition and Jacques Chirac, their leader and Mayor of Paris, is not about to abandon his claims to the leadership of "the majority" to the President. Chirac remains an ambitious politician who still has every chance of unseating Giscard at the next Presidential election. Yet, Giscard has been helped by the election results and his prestige enhanced somewhat. His new grouping of parties holds 137 seats in the Assembly, up ten from the outgoing Parliament. Giscard's increased stature, however, only serves to deepen the split on the center-right as there are now two almost equal contenders for its leadership.

And this division is much more than personal. The forces of the "majority" are separated by a fundamental clash over the future direction of French politics. Giscard appears to want to create a new "center" grouping, including his own party (or parties) and the Socialists. He hopes, thereby, to consign both the Gaullists and the Communists to the sidelines, branding them as unacceptable extremists. Chirac, on the other hand, wishes to build upon the Gaullist base, still powerful amongst the voters and within the civil service, to create a new conservative majority. This new majority would base its appeal upon the twin themes of nationalism and anti-Communism. If Giscard has his way the Socialists will inevitably split – with some on the left of this very eclectic

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party refusing to be embraced by the "bourgeois" overtures and instead linking up with the Communists. If Chirac's strategy prevails, French politics will polarize. Either way, the Communists feel that they will benefit. Whatever the outcome, tensions will continue within the councils of the center-right, a depressing outlook for the health of the Fifth Republic, a constitution specifically created with a single, Gaullist, majority in mind.

Added to heightened tension on the right is the continuing question-mark over the French economy. Although inflation has been dragged down to below 10 percent, the economic discontents of the voters, including large sections of the middle class, are not likely to evaporate in the near to medium future. While these *economic* grievances were not enough this time to overcome the *political* fears of the left (although it should be noted that on the final ballot the center-right prevailed over the left only 0.98 percent), this may not remain so forever. Without a durable and coherent political consensus of the "majority," an unlikely eventuality in view of the continuing discord between Giscard and Chirac, discontents could continue to build to the point where a swing to the left could not be ruled out. Alternatively, even if the voters continue to resist the left, the Fifth Republic could begin to take on the political appearances of its predecessor; like the Fourth, the Fifth Republic could be racked by factionalism and instability. It could become, indeed arguably has become, a four-party Republic. These probable developments may help to explain the pessimism of Raymond Aron, France's most intelligent political scientist. He proclaimed, just before the Assembly elections, "Whichever way the vote goes the good days of the regime are over."[2]

If indeed the "good days" of the Fifth Republic, notwithstanding initial euphoria over the March election results, are over then the Communist Party will be the only real beneficiary of the coming instability. The PCF remains, in popular votes, one of four roughly equal parties in the Republic. But, more importantly, its disciplined party apparatus (the "party acting as one") gives it an important political advantage over its more loosely organized opponents. Further-

2. *The Observer* (London), March 12, 1978.

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more, it wields immense power within the French trade union movement through its dominance of the Confederation Generale du Travail (CGT). The CGT is by far the largest French trade union federation, with a membership of nearly 2.5 million. Its leader, Georges Seguy, retains his post in the PCF Politburo. The PCF is in a position, once there is enough exploitable discontent amongst the workforce, to use strikes and industrial dislocation as part of its more general political strategy. Indeed, it is not fanciful speculation to assume that the French Communists place more emphasis upon their labor role than upon their "parliamentary" role. Elections are important, certainly, but not *that* important in PCF strategic thinking. Socialists, who have less of an industrial base or organized cadres system, need to prove themselves in elections much more than do Communists. In any event, we can expect the Communists to use the "industrial card" against the center-right government in the coming post-election period.

In short, armed with its 5.8 million first ballot votes, its disciplined "Leninist" party structure and its control of the CGT, the French Communists are, arguably, the single most important political force within the Fifth Republic. They represent *real* power — a force with which French presidents and governments may, reluctantly, have to deal if political, social and industrial instability is to reign in the coming years.

The Italianization of French Politics?

When viewed from this perspective Communist strategy in France assumes an "Italian dimension." In other words, PCF strategy has been to attempt to assume the ground in France that the Italian Communists already occupy in Italy.

The secret of PCI success is that they have maneuvered themselves into the position where they are the only serious opposition force in Italian politics. With 34.4 percent of the vote in the 1976 elections and with control of important local and regional governments (it is now the leading or second party in all the significant regions of Italy), the PCI has made the essential political breakthrough that still eludes the PCF. First, it is now the only realistic repository (now that the Italian Social Democrats, Socialists and Republicans are all only small factions) for those with a grievance against the system. The Italian Communists have become a natural party for the non-

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partisan disenchanted. "If you want to get the Christian Democrats out, vote PCI" is a seductive argument. The Italian Communists can reap all the obvious benefits from being the opposition party in a two-party system. It is in order to capitalize upon this "only opposition" status that the PCI projects its "Eurocommunist" and "liberal" image. If it can assuage the fears of the middle-class then the "only opposition" can turn itself into the "only government."

Secondly, from this position of strength the Italian Communists then proceed to argue that the very stability of the Italian system depends upon support of the PCI. For instance, the PCI has become a "law and order" party, almost Nixonesque, as the Italian public becomes increasingly fearful of terrorism; also, it implicitly promises to control labor unrest in return for a share in political power. (Incidentally, the Spanish Communist Party under Santiago Carrillo is adopting some of the same tactics. Now that they are the leading force within the Spanish labor movement they are dealing directly with the Spanish King and Premier, over the heads of the Socialists, offering "industrial peace" in an attempt to stabilize Spanish democracy).

Consequently, having established itself as the only alternative force to the regime, the Italian Communist Party advances by a dual process of implicit threats (to disrupt the system) and "liberality" (to soothe middle-class fears). By this mechanism it forces its way, step by step, to the center of the political stage. After the formation of the latest Andreotti government it is no longer in the wings. As Altiero Spinelli, one of the founding fathers of the Common Market, has observed, "The Italian Communist Party . . . is an organic element of our political thinking and political culture . . . it is physiologically and psychologically a large part of Italian reality."[3]

The aim of the French Communists is to become as large a part of "French reality" as the PCI is of "Italian reality." A prerequisite for this objective, however, remains the elimination of the Socialists as a serious political force, preferably reduced to the size of a rump (as indeed they are in Italy). The results of March must give the Communists some cause for believing that the "Italianization of French politics" if not underway is,

3. *Encounter*, January 1978, p. 8.

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at least, in its early stages.

Yet, the French Communist Party has some difficult decisions ahead of it. They have two broad alternatives open to them. First, they can attempt to resurrect the "united left," but this time with themselves as the most powerful faction. They are still resting upon an electoral plateau (of 20 percent of the vote) from which they cannot jump up. They will need allies. Alternatively, they can, by using their industrial muscle, attempt to deal directly with Giscard himself. This is a temptation to which the President, who will be in search of industrial stability, may be more ready to yield than many may at the moment think possible. The decision of Giscard, immediately after the election was over, to invite the Communists for talks at the Elysee Palace, and the Communists' unprecedented acceptance, is an ominous sign.

The Strengthening of Latin Communism

The confluence of the March events (a new government in Italy with the PCI as part of the "Parliamentary majority," and the elections in France) represents a further strengthening of the forces of Latin Communism. Communist Parties in Western Europe are now nearer to real power than at any time since the inauguration of the Marshall Plan. The PCI is right on the verge of achieving its "historic compromise," which could easily be forged at the time of the next political crisis; the PCF is at least on the road to the highground which the PCI already occupies in Italy; and in Spain, the Communist Party (PCE) is by no means off the political map.

Furthermore, it is now clear that since the March elections in France, there is a growing congruency between the French and Italian models for Communist advance. Both nations are politically unstable; both have mass, disciplined, Communist Parties with significant potential for engineering industrial unrest; both nations, certainly Italy and now possibly France, have weakened and faction-ridden Socialist parties; the political establishments of both nations are unsure of themselves, divided, and tempted to view the disciplined PCI and PCF as sources of stability in troubled times.

The implications of all this for the security and freedom of the whole southern flank of Western Europe are disturbing. The old democratic consensus which excluded the Communists —

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not only from *government* but also from *influence* – is apparently no longer resilient enough to guide these nations on their own. With powerful Communist Parties pressing in on the political establishments of France and Italy, the result can only be an increasing instability in these two strategically important nations.

This instability within France and Italy will inevitably cause increasing tensions within an already fracturing European Community, the integration of which is made no easier by continuing resistance from Britain. Furthermore, such political instability can only further debilitate an already shaky NATO. The Communist Parties have made certain declaratory changes in policy regarding the Alliance. The PCI no longer advocates Italian withdrawal from NATO or the expulsion of NATO and U.S. bases; the PCF, for the moment at least, no longer insists upon France leaving its political wing; the Spanish Communist Party has even gone so far as to declare that it would not "oppose" a decision, admittedly unlikely in the foreseeable future, by the Spanish Parliament to join the Alliance. Even so, Communist pressure (together with Socialist influence) upon their respective governments can hardly be a factor weighing in favor of stronger European-United States ties or increased defense budgets. Moreover, the natural response of the present French and Italian governments to strikes, economic demands from the workforce and left-wing political pressure will be to buy them off with lavish domestic social expenditure at the expense of necessary military resources.

A Western Counter-Strategy

So far the democratic and Western response to the arrival of powerful Communist Parties in Latin Europe has possessed all the vitality and strategic incisiveness of a wet sponge.[4] There seems to be little inclination on the part of Western politicians or opinion-makers to deal directly with the threat which "Eurocommunism" poses both to the domestic politics of the nations involved and to the Atlantic Alliance. The mentality

4. For two incisive critiques of faltering Western attitudes towards Eurocommunism see: Robert Moss, "The Specter of Eurocommunism," *Policy Review*, Summer 1977 and Jay Lovestone, "Euro-Communism – Roots and Reality," *Journal of International Relations*, Summer 1977.

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of democrats has been essentially defensive. Hence, there is a tendency to fight each battle as a rear-guard action, as buying time, as though the war is ultimately lost. Hence, too, the instant euphoria over the results in France – more time bought? – even though the strategic position of the Communist Party has been improved. Hence, too, a psychological *need* to believe in the protestations of Communist Parties that "democratic Communism" is possible.

This defensive posture is best exemplified by the democratic politicians of Western Europe. In both Italy and France the leaders of the democratic parties rarely confront the problem head-on. Far from raising the specter of life under the Communists – the Communist Party's totalitarian implications at home and pro-Sovietism abroad – their propaganda is tentative and ambiguous. Indeed, it is instructive that in Giscard's pre-election appeal to the French voters, the specter of a dominant West Germany was raised while the prospect of a lapse into left totalitarianism was only hinted at! In non-Latin Europe, too, political leaders are fearful of too overt an anti-Communist posture. The leaders of the West German SPD and the British Labor Party have acquiesced without public protest to the increasing contacts between member parties of the Socialist International and Communist Parties. Socialists throughout the continent have lost their visceral opposition to "Popular Frontism." West European Socialists, breaking with years of tradition, are slowly becoming "Finlandized."[5]

Following the lead from Europe, the United States posture has also been defensive. Apart from the formidable analysis and strictures of Henry Kissinger both whilst in and out of office, arguments for which he has been subject to attack from within the United States, there has been a paucity of coherent policy emanating from this side of the Atlantic. The United States government seems understandably concerned that too overt a stand on its part against Communist involvement in the governments of Western Europe will be interpreted as "interference." It is not often fully realized, however, that those who use this weapon against the United States remain silent as *Pravda*, almost on a daily basis, "interferes" in the politics

5. See Walter Laqueur, "The Specter of Finlandization," *Commentary*, December 1977.

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of virtually every Western European nation.

The counter-strategy that needs to be developed now (whilst the Communist Parties of France and Italy though increasing in strength are still in the minority) must eschew such defensiveness. A key crutch of this defensiveness is the contemporary fatalism about the future — a sense of inevitability about the eventual triumph of Communism that is no longer the preserve of the dedicated Marxist-Leninist, but spreads throughout the political spectrum.

Yet, only a moment's reflection should be enough to dispel such pessimism. The Western European peoples are, by any test, not only *non-Communist*; they are also *anti-Communist*. This is obviously the case in Northern Europe where Communist Parties receive negligible electoral support. Yet, it is true in Southern Europe too. In France at the March elections, nearly 80 percent of the voters cast their ballots *against* Communist candidates. In Italy, so near to the brink, the anti-Communist figure for the last election was 65.6 percent. In Spain it was 91.8 percent. Also, it is no political secret that many of those who actually do vote Communist are in no way Marxist-Leninists. This is particularly so in Italy. Furthermore, Communist power within many of the trade unions in Western Europe is wildly disproportionate to the support for Communism amongst trade union members. This disproportion is a product often of the manipulation by Communists of trade union electoral systems rather than working class acclaim.

The problem, then, lies in a possibly fatal gap between the *anti-Communism* of the majority of the West European peoples and the *non-Communism* of the West European political elites. It has been the refusal of the non-Communist democratic politicians to mobilize and exploit native anti-Communism amongst their peoples that has given the Communist Parties such a crucial advantage.

The mobilization of anti-Communism as a political strategy has been feared by the leaders of the West ever since the vulgar excesses of the McCarthy era. It may also have received a setback because of the failure of the war in Vietnam. Even so, this standard explanation does not suffice to properly explain present Western European susceptibilities. President Kennedy's ringing anti-Communist declarations took place only six years

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after Senator McCarthy's demise and were echoed by a host of European politicians from Schumacher to Gaitskell. More likely as an explanation is simple fear of the Soviet Union, certainly greater now than in the early sixties.

Even though this fear is likely to remain, indeed may grow as Soviet military power grows in Europe, a heightened ideological tension, as between East and West, Communism and anti-Communism, is an essential ingredient of any new offensive counter-strategy. There are already some hopeful signs, although naturally they are not yet to be found amongst the politicians. The "new philosophers" in France, notwithstanding their anarchist backgrounds and "celebrity" status, are at least leading the way in a wholesale attack upon the very foundations of Marxism itself. The link between totalitarianism and Marxism is being rediscovered (the link between Leninism and totalitarianism being taken for granted). Potentially this rediscovery can be very damaging to "liberal Eurocommunism" with its emphasis upon the possibility of a democratic Marxism-Leninism and some searching questions are already being asked of the PCF (and the Socialists) – questions that they will not easily be able to answer. Although much of this might seem standard fare to older and more rigorous anti-Communists who are still an embattled minority in the Anglo-Saxon political world, it is important that these new awakenings are happening to a new generation and that they are happening in France.

A heightened ideological offensive may take some time to percolate through the Western political class. Even so, the Carter human rights policy can, if handled properly,[6] become a framework for its institutionalization into Western diplomacy. By these means the anti-Communism of the European peoples can be reunited with an official anti-Communism of the elites.

The second ingredient of a counter-offensive against the Western Communist parties is linked to the first. There is no advantage in simply raising the ideological temperature if concomitant political action is not taken. Indeed, the whole reason for a heightened ideological posture is to mobilize public opinion for political change. The nature of this new

6. For a serious analysis of the shortcomings of the present "Human Rights" policy of the U.S., see Ernest Lefever, "The Trivialization of Human Rights," *Policy Review*, Winter, 1978.

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Western political strategy should be the development of an "exclusionary" posture. The Communist Parties of southern Europe see it as essential to their cause that they be *allowed*, by a mixture of threats and inducements on their part, into the political consensus of their respective nations. They have genuinely given up, at least for the foreseeable future, their revolutionary aspirations. They know this will not work. Instead the "parliamentary road" is preferred; they want, instead, to be accepted into the consensus by democratic politicians, as is very nearly the case in Italy today.

Consequently, the counter-strategy of the democratic politicians should be to build a consensus that *excludes* them. The Christian Democratic leaders of Italy, the center-right politicians of France and the Spanish Premier and King need to be encouraged by the political leaders of the West to resist the overtures that will be made to them by the Communists. A good example was the recent United States statement on the situation in Italy (issued at the prompting of, amongst others, the American Ambassador to Italy). This was, reportedly, of great help to those Christian Democrats who wanted to resist Communist participation in the government. As part of this "exclusionary" strategy, serious attempts should also be made to wean away the Socialists from flirtation with the Communists in "Popular Fronts." The old demarcation lines between Socialists and Communists should be redrawn. This can sometimes best be done by the Socialists themselves. Sometimes it can be achieved by sensitive political maneuvering from the center-right.

Finally, on the international political level an "exclusionary" strategy can also be pursued. The United States and other Western allies can make it quite clear that Communist participation in the government of a country will preclude that nation's membership in NATO. Just as they wish to penetrate existing internal political institutions rather than immediately overthrow them, the Communist Parties of southern Europe are not set upon a revolutionary path as far as international organizations are concerned. Instead, they wish to permeate and weaken them. Carrillo has even gone so far as to suggest that Spain should work through European institutions in order to bring about a "third force in East/West politics," a process that could further the disintegration of the Atlantic

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community. As far as NATO is concerned, a strong allied statement about "incompatibility" of membership with Communist involvement in government might initially cause some voices to be raised about "interference." Yet, when the dust settles, the electors of that nation will have before them a clear choice. It is inconceivable that any of the free peoples of Western Europe would choose, in these circumstances, to opt out of the West into neutrality or into the Warsaw Pact or Comecon.

If stark choices between the democratic consensus and Communism, between the West and neutralism or worse, are put to the West European peoples in the next few years, the slow advance of the Communist parties through their institutions can be halted and reversed. If the present drift continues, if no choices are offered, if the ideological debate remains muddied and grey, then the defensiveness which suffuses democracy will grow as will the apparent inevitability and momentum of West European Communism.

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The Environmental Costs of Government Action

JOHN A. BADEN & RICHARD L. STROUP

During the last decade, a large and growing number of articles, technical reports, and books have developed the theme that large social benefits can be generated through increased governmental action. This is especially true regarding natural resource management. A strong distrust of private property as an institution, coupled with increasing demands for scarce natural resources and greater environmental quality has led to more and stronger calls for more collective management to supplant or control what is viewed as the rapacious private exploitation of nature.

Privately-held property rights in natural resources are increasingly attacked. Partly this is due to concern over what many perceive to be an imbalance in the distribution of benefits from nature's bounty. It is also due in part to what is thought to be irresponsible stewardship of natural resources in the pursuit of profits. Market failure is increasingly noted. Negative externalities, or costs accruing to those other than the decision-maker, frequently are cited as justification for the imposition of governmental control. The rule of willing consent is relaxed and collective decision-making is imposed.

The market, based upon the willing consent of individuals and operating through the mechanism of prices representing condensed information and incentives, tends to move resources to the most highly-valued uses. When transaction costs are negligible and property rights clear and readily enforceable, the market will, given any existing distribution of income, provide the socially optimal production of goods and services. Unfortunately, when dealing with some natural resources, there are only very imperfect property rights, as witness clean air and clean water. Resources such as these tend to be underpriced. As a result, the production process generates not only goods but also bads in the form of negative externalities. Because environmental goods tend to be public goods and common pool resources, the private market will not efficiently utilize

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these resources. In principle, injured individuals could collect damages through the courts, using nuisance laws. However, transaction costs among a large number of disparate individuals are extremely high. Each tends to be a "free rider," not joining in legal action. Thus, to move toward the optimum allocation, the rule of willing consent is relaxed and governmental mandates are imposed. Hence, great social benefits can potentially be generated via the imposition of governmental regulation and control. This has been the dominant theme of most of the political economy literature on environmental management.

There is, however, a set of environmental quality issues that has been largely neglected. These issues involve reductions in environmental quality *generated* by the positive action of governmental agencies. It is easy for most of us to understand why profit-seeking individuals or firms will engage in environmentally destructive practices when the signals they receive regarding the value of resource inputs are faulty due to poorly defined property rights. A smaller proportion of people, however, has an intuitive understanding of why it is the case that bureaucrats, individuals whose salaries bear little or no relationship to profit, should engage in analogous behavior.

The root cause of failure in the collective arena is the same as in the private: authority and responsibility are separated. In the private sector this occurs when property rights are not clearly established and/or enforceable so that, for example, the smelter owner uses the air resource for free garbage (SO_2) removal, and is not held responsible. He captures benefits but not costs. Similarly – but much more frequently – in the public sector, the individual with the authority to order an action does not bear certain important costs of that action. When the Federal Power Commission keeps natural gas wellhead prices low, for example, commissioners are applauded for protecting gas buyers. They are not condemned for causing the environmental damages due to the extra electricity production, multi-billion dollar Alaskan gas pipeline, or coal conversion to natural gas, all of which are promoted by their actions. And if they *were* blamed, the cost to them of condemnation would not approach the sum of total costs to society. Better public decisions really are public goods.

In general, public sector activity suffers from what Hardin

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has labelled, in a non-governmental setting, the Tragedy of the Commons. Everyone's property is no one's property. The public purse and public authority, like common pastures, are over-utilized for the benefit of the few at the cost of the many. Efficient management is elusive, hard to recognize when users do not pay, and seldom attained. Further, a full and equal sharing of public benefits and costs is impossible even with one-man-one-vote democracy. A lucky few will enjoy the water from federally financed water projects, artificially cheap natural gas, or the extra forage produced by the chaining of pinyon-juniper stands. Yet all incur the costs. Ability to influence government is probably no more (and arguably less) equally distributed than the money income which can influence market decisions. Yet when concentrated ("special") interest groups are found to wield power in obtaining large governmental benefits, specific people are usually seen as the cause of the problem. We argue that the system's *structure*, not evil individuals, can best explain such problems. The same frontier white men who nearly wiped out the buffalo were no threat to the more valuable beef cattle raised on the western range. Similarly, better institutional arrangements can better channel the efforts of imperfect men, the vast majority of whom could never be considered seriously for sainthood.

In what follows, we intend:

1) to explain, using common-sense elements of the property rights paradigm and public choice theory, why we should not *expect* collective management to provide either careful stewardship *or* a balanced reflection of public desires;
2) to present actual examples of how this logic reflects the real world, so that collective management, usually thought to be the solution, is in fact often the problem; and
3) to provide the analytical foundations for developing private institutions and revising public institutions to foster efficient and non-coercive stewardship of natural environments.

The Framework of Analysis

In predicting or analyzing public sector behavior, the appropriate unit of analysis is the individual decision-maker. We

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must also recognize that we operate in a representative democracy, not a town-meeting democracy. At the national level, politicians and bureaucrats are in control and the average citizen knows little in detail about most government operations. In most of the cases considered below (and probably in most important cases), the key decision-maker is the professional public servant – the bureaucrat.

Bureaucrats, like most other people, are largely self-interested. Like the rest of us, they will sometimes act altruistically to advance the public interest. In most work-related situations, however, a bureaucrat will act in such a manner as to improve his own welfare. The components of a bureaucrat's welfare include salary, relative position in the agency, discretionary control over budget, perquisites of office, and work place amenities. The nature of the world happens to be such that the components of welfare are improved when the agency is growing. Conversely, reduction of welfare tends to be associated with the contraction of an agency. Thus, decision-makers within an agency face strong incentives to expand continually the scope of their agency's activities.[1]

Unlike their counterparts in the private sector, the expansionary activities undertaken by agencies need not meet the reality check imposed by the requirement of generating value that exceeds cost. Because their budget is derived from taxes rather than the sale of products, they have incentives to ignore or exaggerate the economic efficiency of the various projects that they propose, sponsor, and administer. Within this context the creative bureaucratic entrepreneur can identify a specific clientele that stands to benefit from the proposed action. In exchange for strong political support for his agency, he can finance this action with a subsidy from the general taxpayer. Hence, from the perspective of the bureaucrat, the tax base becomes a common pool resource ripe for exploitation. In contrast, the private individual or firm will not intentionally

1. Variations on this theme are presented in T. E. Borcherding, ed., *Budgets and Bureaucrats: The Sources of Government Growth* (Durham, North Carolina: Duke University Press, 1977), R. B. McKenzie and G. Tullock, *Modern Political Economy* (New York: McGraw-Hill, 1978), and W. A. Niskanen, Jr., *Bureaucracy and Representative Government*, (Chicago: Aldine-Atherton, 1971), among other sources.

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over-produce goods when the social value of the inputs is accurately reflected in the price of these inputs. The bureaucrat can ignore the foregone value of inputs. Hence, he will over-produce dams, grass, timber, and a host of other goods because the resources used in the production, tax money (or timberland), are tapped from a common pool resource.

In a representative democracy, bureaucratic discretion and its abuse are possible because of voters' rational ignorance.[2] Sometimes mistaken for simple apathy, the average voter's lack of diligence in learning about and trying to control agency behavior is easily explained by the voter's lack of individual control. A given resource management activity may mean far more to a voter than where he buys his gasoline. Yet all the benefits of knowing where to buy gas are his and he controls the decision. Whether pinyon-juniper stands will be chained is normally beyond his control. His learning time buys him more in shopping for gas than in learning about Bureau of Land Management or Forest Service policy. He rationally is ignorant about most important policy issues. Those with concentrated interests in a particular resource are not. Their marginal influence typically controls.

Most, if not all, of the environmentally destructive practices discussed in what follows would not occur if the agencies were required to meet the standards of economic efficiency. In effect, the general taxpayer often finds himself subsidizing the destruction of the American environment while making transfer payments to bureaucrats and highly specific special interests. Thus, there are huge social profits to be made by explicating and advertising this situation and constraining the activities of the agencies discussed.

Those who stand to benefit from constraints being imposed upon excessive governmental action are numerous indeed. Obviously, the general taxpayer is advantaged if the government operates in a manner consistent with economic efficiency. Environmentalists should welcome a reduction in governmental programs that fail to meet the tests of economic efficiency and

2. Rational ignorance and other problems in collective decision-making are discussed in J. D. Gwartney, *Economics: Private and Public Choice* (New York: Academic Press, 1976) and in R. B. McKenzie and G. Tullock, *op.cit.*

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are demonstrably destructive of the environment. Such programs convert relatively pristine environments into chained, terraced, dammed, flooded, channelized, and similarly disturbed areas. Hopefully, most Americans would agree that we should engage in development when the net benefits exceed the costs and that we should stop *subsidizing* the destruction of nature.

A third category of those likely to support careful analysis of governmental actions are those of us who view freedom as a scarce and very valuable resource and who realize that the growth of government, whatever the benefits, constitutes an extraordinarily serious, pervasive, and unavoidable threat to that resource.

The groups discussed above are not mutually exclusive. All of us are taxpayers, many of us are environmentalists, and some of us set a very high value on freedom. The conjunction is not insignificant and we are hopeful that the number is growing. One of our colleagues writing on this same problem has likened a land management agency to the Titanic steaming through the night. This study serves as a warning to the agencies that icebergs lie ahead. We hope they will heed these warnings. If they do not, the public is likely to raise the decibels of the message. The cases are strong; the evidence is clear. The public, we feel, is increasingly receptive to the kind of analysis presented here and illustrated below.

Case-Studies of Good Intentions Gone Astray

The staffs of our land and resource management agencies tend, on the average, to be competent and well-meaning. Most, in fact, know about and are concerned with, the resources they manage. This conjunction, although fortunate, is by no means sufficient to insure quality management. There are, unfortunately, many examples of perverse institutional structures generating suboptimal results. We will introduce a few examples and then present an overview of two cases.

The U.S. Forest Service administers vast stands of timber in the Western U.S. Some of this timber land, notably that in northern California and western Oregon and Washington, is extremely productive — the forest equivalent of Iowa cornland. In contrast, the land in the Rocky Mountain States is much less productive *for growing trees as a crop*. It has other uses, largely recreational and aesthetic, of high value. Silvi-

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cultural treatments (such as clearcutting) on many of these high, dry, and ecologically fragile sites are often destructive of other forest values. In essence, these are tradeoffs between timber management and the management for other valued uses. This situation, of course, is neither surprising nor necessarily socially costly. Unfortunately, however, in the less productive regions, much of this timber literally has a *negative value* as timber. In brief, the resources employed merely to extract the timber and manage the process are often worth more than the timber harvested even when discounting to zero the value of foregone appreciative opportunities. It is only because this process is so heavily subsidized that massive ecological disturbances are undertaken.

In addition to forest lands, the West has vast areas of grazing or range land. Much of this cow country is administered by the Bureau of Land Management. This is land of such marginal productivity that it was not patented under the various homestead acts. Its productivity is so low that it commonly takes from 10 to 40 or more acres to carry a cow with calf for a month. With relatively large investments in fencing, water development, and seeding, the forage productivity of the land can be increased. Thus, the number of animal unit months generated can be expanded. One such management practice advocated by the BLM is called rest-rotation grazing. While it *may* indeed improve the range, this outcome is uncertain at best. Further, it fundamentally transforms the ecological system. Central to our argument, however, is the simple fact that this management practice is relatively capital and management intensive. Only under the most optimistic of assumptions can it be expected to pay its own way. Massive subsidies are required if this transformation is to be made on the marginal range lands. Again we encounter an example of governmental assistance being required for the economically inefficient modification of environments.

Water is a limiting factor in much of the Western United States. Beyond the 100th meridian, agriculture is marginal or uncertain in the absence of irrigation. Hence, there may be great social benefits associated with the development of irrigation based on damming rivers. Unfortunately, we again confront a tradeoff: a section of river can be wild and scenic *or* it can be developed with dams and irrigation canals – only

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rarely can it be both. Clearly, those who stand to benefit from irrigation water will tend to favor development of a river. Further, in the public sector, a program that "charges" Peter to pay Paul will have the support of Paul. Thus, we should now consider the first law of demand which is the social analogue to the law of the gravity. Although irrigation water is valuable to those who use it, demand will cease when the marginal cost to the demander equals or exceeds its marginal value to the demander. Unfortunately, governmental subsidies of water developments distort the prices faced by irrigators. Given that they confront water prices that are only a fraction of the real costs, their demand for water is much higher than it would be in the absence of subsidies. Thus, given that one set of interests is concentrated, there is a tremendous pressure to convert wild and scenic rivers to dammed and developed ones.

Other examples of adverse environmental or conservation conditions resulting from the absence of private property rights in natural resources as well as from direct governmental action abound. Notable examples include the over-grazing of the western Great Plains by cattlemen on the public lands — destroying the fragile ecological balance of the grasslands and thereby ultimately preparing the way for the "dust bowl." Because private property rights were never extended into this area and the land was retained as open range within the public domain the cattlemen, and later the sheepmen, were driven by economic incentives to over-graze before someone else did, to run more cattle than the land could support, and to graze too early in the year before the young grasses matured and seeded; equally there was no incentive for any individual user to reseed over-grazed areas or to attempt any form of irrigation. Similar conditions still prevail on BLM lands where cattlemen and sheepmen can graze their animals at fees below what they would pay on private land, as well as upon land they do not own and may not be able to use the next year. Under these conditions, they have no incentive not to over-graze.

Most of the world's oceans fall into a similar category. With the absence of private ownership of most of the fishery resources, including fish, shellfish, and whales, there has been a continuous saga of one species after another being over-harvested, because no individual user has had any economic incentive not to over-use the resource. One may compare

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this with the rational conservation practices carried out in private farming operations for fish and shellfish.[3]

These cases are cited briefly here merely as examples of a general occurrence and illustrate the range of the problem. We can expect the conjunction of highly special interests (bureaucratic and user groups) and a diffuse general public to hold sway over the development of our natural resources that are in the public sector. Let us now examine, in more detail, two other case studies.

Chaining Pinyon-Juniper

The U.S. Forest Service and the Bureau of Land Management have scraped and uprooted pinyon and juniper trees from thousands of acres of public lands in the southern Rocky Mountains states. This is most commonly done by a process called chaining. Two D-8 size crawler tractors (65,000 pounds and over) are connected by up to 600 feet of anchor chain (up to 90 pounds per link) and driven parallel through the woodlands in efforts to clear the land of trees. Herbicides, burning and "Tree Crushers" are sometimes used on smaller areas. The Forest Service calculates that approximately 400,000 acres in Utah and Nevada are "suitable for rehabilitation" by such clearing. The rate is projected to be 10,000 to 13,000 acres per year. The trees killed, the debris is burned or left.

These federal agencies are land management organizations largely staffed by personnel with training in forest, range and watershed management. Because trees consume space, light, water and nutrients, their removal can foster the growth of more feed for livestock. If the value of the additional feed exceeds the costs of producing it (including externalities as costs or benefits) and if those who gain the benefits are willing to pay the costs, then this program might be justifiable despite its assault on our ecological sensitivities. D-8 Cats connected with hundreds of feet of anchor chain do have a rather obvious impact on the landscape.

Although the visual evidence of ecological disturbance is massive and compellingly obvious, there is very little evidence

3. See James A. Wilson, "A Test of the Tragedy of the Commons" in Garrett Harden and John Baden, *Managing the Commons* (San Francisco: W. H. Freeman Press, 1977), pp. 96-111.

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which indicates that the practice has net positive benefits. Although improved wildlife habitat provides one justification for chaining, as stated by Lanner, ". . . a summary conclusion for the several million acres of treated P-J (pinyon-juniper) is one of no overall impact – either positive or negative." A similar finding holds for purported watershed improvements, for instance, when no watershed improvement is found.

Chaining does increase forage for livestock, but the cost of the practice appears to exceed the value of additional forage. Thus, while a very small proportion of ranchers is subsidized, by the practice, a significant social loss results. In his view of agency reports on the subject, Lanner has noted:

> I think it is fair to say that careful reading of the environmental statements analyzed here will disclose them to be documents of advocacy. They are not balanced weighings of evidence, but necessary props placed in support of an ongoing agency program.[4]

The agencies are not staffed by people who want to do harm. It was initially hypothesized that chaining would produce benefits. We assume that the practice was undertaken in good faith. Chaining, however, has become an important component in many district budgets. Hence, the incentives to evaluate realistically a highly questionable activity are negative. In this example, as in many others, governmental programs once begun tend to be perpetuated and expanded. In the private sector sunken costs are just that – sunk. Given the politics of the budgetary process in the public sector, sunken costs become "investments" that can yield a return in the form of additional funds in succeeding years.

If a person in an agency is well-intentioned and sincerely wants to improve agency performance, it is important that he advance in the organization. But advancement in the bureaucracy is normally not enhanced by advocacy of positions that lead to budget cuts. Thus, in the public sector the person seeking to advance the public interests is locked into a perverse system. The consequences of incentives tend to perpetuate

4. See R. M. Lanner, "The Eradication of Pinyon-Juniper Woodland," *Western Wildlands* (University of Montana, Missoula), Spring, 1977, p. 17.

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practices such as chaining.

SNG From Coal

Synthetic natural gas (SNG), as the name implies, is a substitute for natural gas. It is currently produced in small quantities in the U.S. from petroleum products. It could be produced from coal, of which the U.S. has greater reserves. The cost of SNG production from coal would be much higher than current natural gas prices. There is a large and growing shortage of natural gas, however, so that interest in coal gasification is substantial.

The history of coal gasification technology goes back to 1670.[5] Probably the most thoroughly proven technology is that used in Lurgi units, more than fifty of which have been built. The Lurgi process, first developed in Germany over fifty years ago, combines crushed coal with steam and oxygen under high pressure to make a mixture of hydrogen, hydrocarbons, nitrogen, and carbon oxides. However, the production of pipeline-quality gas requires that the commercially unproven process of methanation be used, removing all carbon monoxide, some carbon dioxide, and raising the heating value to 900-1,000 British thermal units per standard cubic foot (Btu/scf). Newer technologies are also being explored, but the first plants are expected to use the Lurgi process with methanation.

The negative environmental impacts of coal gasification include derivative problems with coal mining (stripmining in the West), air pollution from the gasification process, and the loss of instream values from streams dewatered to provide feedstock and cooling water for the gasification process.

The growing shortage of natural gas, on which the demand for SNG is based, began in 1971. Its cause, however, dates back to the beginnings of Federal Commission regulation of wellhead natural gas prices in the 1950's.[6] The price of gas has

5. For a brief history and description of coal gasification technology, see Office of Coal Research, U.S.D.I., *Evaluation of Coal Gasification Technology, Part I: Pipeline Quality Gas* (Washington, D.C.: Government Printing Office, 1973).

6. A history of FPC control is found in S. G. Breyer and P. W. MacAvoy, *Energy Regulation by the Federal Power Commission* (Washington, D.C.: The Brookings Institution, 1974).

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been kept below equilibrium and a predictable shortage has resulted. Still, the cost of SNG is so great and the movement toward SNG so tentative that commercial SNG production seems likely to require the additional factors in governmental policy which we observe to be enhancing its likelihood.

Among the firms most interested in converting coal to SNG are natural gas utilities and pipeline companies. Both are regulated and both are faced with rate-making processes which make extra profit dependent on extra investment in capital. More natural gas from wells, bought at higher wellhead prices, will simply cause a cost pass-through. But an investment in an SNG plant would allow extra return on the investment. Thus, if the utility can obtain investment capital at a low enough rate — a possibility enhanced by proposed government loan guarantees — it can increase its total profit. It is important for them to retain another feature of regulation however: the "rolled-in" rate structure, wherein SNG, which could not be sold at its high cost, could be sold at a lower combined price with natural gas, the price of which is held well below equilibrium by FPC regulation. Whether a rolled-in price structure will or will not be generally allowed has not been finally settled.[7]

There are, then, three major types of governmental intervention encouraging SNG production. FPC wellhead price regulation of natural gas, designed to protect the consumer from high prices, caused the shortage which SNG could reduce. Federal subsidies, both directly to research and demonstration facilities and indirectly via proposed loan guarantees, make gasification of coal a less prohibitive investment to private firms. Utility rate regulation often allows average cost pricing and encourages new capital investments, again making SNG more attractive. Without these positive governmental actions, it is very unlikely that SNG from coal would be seriously considered outside of research laboratories. It simply costs

7. Note that an unregulated private seller, regardless of monopoly power, would never want to make a product for which it could not get enough extra revenue to cover the extra cost of manufacture. The process of rolling-in, or averaging costs, makes accessible to the regulated seller revenue from customers on what otherwise would be a product sold at a price regulated below equilibrium.

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too much as compared to alternative heat sources.

Most independent estimates of coal gasification costs recently have run higher than $4 per million Btu's (British thermal units). Perhaps the most optimistic estimate lately has been the $3.40 per million Btu's estimated by the backers of Synthane, a new experimental process.[8] By contrast, the MIT energy simulation model estimates that a new contract field price of about $2.13 per million Btu's would clear the natural gas market.[9] This of course would end any chance for SNG in the near future. Another report from MIT has indicated that electricity from coal (or other sources) would also be cheaper than SNG when used with modern heat pump technology.[10] Of course, coal burned directly for heat would also be much cheaper than SNG, reflecting in part the increased thermodynamic efficiency of avoiding the chemical transformations required in gasification. The SNG processes, inefficient in terms of economics, thermodynamics, and the environment, simply could not stand careful scrutiny were it not for the direct and indirect government assistance mentioned above.

The Analytical Foundations for Better Resource Management

The property rights paradigm helps us to pinpoint the cause of environmental problems in a market setting: resource prices are distorted when property rights to a resource are not enforced. Those with the authority to increase social welfare are not forced to be responsible for their actions. We should not expect environmental problems to be solved automatically when we give up the rule of willing consent and opt for

8. This figure was reported in the *Energy Users Report* (December 15, 1977, No. 27, p. 29). Note that backers of the process have every incentive to report optimistic cost figures to increase the likelihood of future funding. Also, any pessimists on such a team have every incentive to find other, more secure work.

9. This figure is adapted from R. S. Pindyck, "Prices and Shortages: Policy Options for the Natural Gas Industry" in Albert Carnesale, *et al*, *Options for U.S. Energy Policy* (San Francisco: Institute for Contemporary Studies, 1978, p. 152). The figure has been corrected to 1977 dollars, using Pindyck's implied rates of 6 percent to 6.5 percent inflation.

10. See O. Hammond and M. Zimmerman, "The Economics of Coal-Based Synthetic Gas," *Technology Review*, (MIT, Cambridge), July-August 1975.

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collective action. Indeed, we are likely to create environmental problems, and others as well. The examples discussed above illustrate how it can easily happen that even well-intentioned public servants are apt to cause problems when the feedback data and reality checks inherent in the price system are lacking.

Three steps seem likely candidates in the search for systematic improvement. The first is to recognize the problem: the separation of authority from responsibility, all too prevalent in the private sector, is normal in the public sector. What efficiency experts might call a lack of accountability results. The second step follows from the first. We must accept an imperfect solution; market failures do not automatically imply that collective action is better.[11] An imperfect market may actually be the best available alternative. The third, rather ambiguous, step is simply to use whatever insights we have as to the incentives and information people face in alternative institutional arrangements and to restructure those institutions with incentives and information in mind. The authors have elsewhere explored some of these institutional alternatives in the case of forest management.[12] The potential payoffs of more work on the political economy of managing natural environments are indeed large.

11. Of course the opposite also is true: an imperfection in collective management should not automatically cause us to avoid governmental action. The grass is *not* always greener.

The fate of the environment under a collectivist system has recently been explored in three studies: Fred Singleton, ed., *Environmental Misuse in the Soviet Union* (New York: Praeger Publishers, 1976), Philip R. Pryde, *Conservation in the Soviet Union* (New York: Cambridge University Press, 1972), and Marshall I. Goldman, *The Spoils of Progress: Environmental Pollution in the Soviet Union* (Cambridge: MIT Press, 1972). These books were reviewed in *Policy Review*, Fall 1977 by Robert J. Smith.

12. See R. L. Stroup and J. A. Baden, "Externality, Property Rights, and the Management of Our National Forests," *Journal of Law and Economics*, Vol. XVI, Spring, 1973 and J. A. Baden and R. L. Stroup, "Private Rights, Public Choices, and the Management of National Forests," *Western Wildlands* (University of Montana, Missoula), Autumn, 1975.

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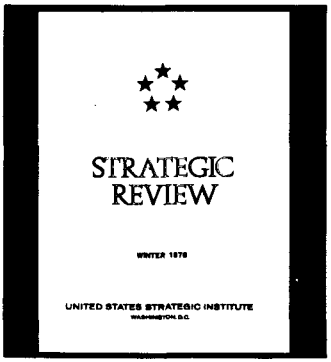

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Clientitus, Corpulence and Cloning at State— The Symptomatology of a Sick Department

JOHN KRIZAY

Discontent is on the rise again in Foggy Bottom. Too many other departments and agencies (61 to be exact) have gotten into the foreign affairs act. The Carter Administration has not reversed the erosion of the State Department's influence in foreign affairs as the careerists had hoped. Within the Department, a substantial number of outsiders has been appointed to middle-level positions and the professional careerists are being ignored. There are ruminations that the new Secretary does not assert himself and that he is being overshadowed by others in the Administration.[1]

When Dr. Kissinger was at the helm, careerists felt relief that a strong Secretary of State had brought power back to Foggy Bottom, but great displeasure at his method of dealing with a handful of confidantes while totally ignoring the State Department bureaucracy. In fact, since the days of Dean Acheson, the pros have been grumbling in the State Department corridors about their leadership. Secretary Rogers was "lazy," Dean Rusk was only interested in Viet-Nam, John Foster Dulles was paranoid, and so on. In the view of this relatively small body of foreign affairs specialists – which has managed to keep its elite corps separate from other government personnel systems – the politicians have interfered in its domain, stealing it away and, little by little, putting it into the hands of technicians and others inexperienced in dealing with foreign governments.[2]

1. See for instance "Angry Foreign Service: Regulars Say Outsiders Get Key Posts," *The Washington Post*, January 1, 1968, p. Al. According to *The Post*, "Under Carter, only six of the department's 25 top jobs have been filled by Foreign Service professionals. A year ago, they held 16 of these positions." In fairness, *The Post* also pointed out that "A recent analysis by AFSA shows that 25 per cent of the 118 U.S. missions abroad are currently headed by political appointees, as opposed to 33 per cent a year ago." For an analysis of the new mid-level appointees in State, see Robert L. Schuettinger, "The New Foreign Policy Network," *Policy Review*, Summer 1977.

2. For another recent critique of the State Department bureaucracy

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For more than a generation, the State Department bureaucracy has been estranged from the political party in control. Throughout this era, one of two situations has prevailed: either Presidents have conducted foreign policy with little regard to their Secretaries of State, thus automatically minimizing the Department's role; or Secretaries themselves have kept the State Department bureaucracy at arm's length. No Administration in recent years has been willing to use the State Department as a trusted arm of foreign policy. Biographies and histories of recent Administrations reveal that Presidents since World War II have been uniformly critical of State. Heads of other Departments as well as their civil service staffs have always been skeptical of the State Department's motives, competence, and orientation. Congress has found it to be a convenient whipping boy. The public has never been impressed.

At various intervals in the past two and one half decades, the State Department itself, evidently conscious of the need to improve its image, has either contracted for or undertaken within its own ranks several major studies of its operations. But such reforms as it has adopted have been minor, concluding always that if its professional competence were only accepted, our foreign relations would be in good hands. "Give us a permanent Under Secretary drawn from our own ranks," they, in effect, said, "and we will have the clout to end this encroachment on our turf."

But the Department of State continues to be the object of negative judgment and remains estranged from political leadership. It cannot bring itself to view the relations with other countries in the same way or for the same ends as the political leaders. It is loathe to take into account domestic interests that may have foreign relations overtones, and it is far too anxious to make the case for other countries and to

see Robert Pringle, "Creeping Irrelevance at Foggy Bottom," *Foreign Policy*, Winter 1977-78. Other studies of the bureaucracy which have been consulted by the author include: "AFSA Committee Report and Recommendations," *Foreign Service Journal*, November 1968; *The Reports of the Commission on the Organization of the Executive Branch of the Government* (the Hoover Commission) Washington, D.C., 1949; *The Report of the Committee on Representational Services Overseas* (chaired by Lord Plowden), London, February 1964; *The Wriston Committee Report* (chaired by Dr. Henry Wriston), Washington, D.C., 1964.

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suggest that the U.S. should make the sacrifices.

The problem is not simply one of orientation. The State Department cannot control its behavior. Its attitude is deeply embedded in a structure that forces its personnel to take a narrow view of foreign relations, and it is, therefore, this structure that must be changed if the Department is to become a responsive and effective arm of the Executive Branch.

Three broad aspects of that structure are at the root of the State Department's problems: (1) the division of responsibilities within the Department along geographic lines creates a tendency to stress bilateral relationships and to be overly protective of "client" countries ("clientitis"); (2) an oversized staff of professionals makes competition for recognition so fierce that issues tend to be presented more on the basis of personal or bureaucratic advantage than national interest while the production of reports has climbed to a level beyond the Department's collective reading capacity ("corpulence"); and (3) the incestuous method of selecting, promoting, and assigning foreign service officers stultifies imagination, makes dissent risky, and change impossible ("cloning").

Because of its narrow orientation, the political leaders have seen to it that the State Department's role in making foreign policy is limited. If it has a useful task today – other than administering our overseas operations – it is in predicting foreign reactions in an area in which some U.S. action is contemplated. The larger and more important tasks of coordinating the myriad activities of 61 departments and agencies that have dealings with other countries and of integrating foreign policy with our objectives here at home are left to the National Security Council and to a series of *ad hoc* and permanent inter-agency committees. This system is a cumbersome and dangerous method of assuring that all aspects of our foreign policy are in tune, since occasionally it results in no coordination at all. There is a definite need for a more formal and systematic way to orchestrate our relations with other governments, and it would seem logical that State should have this responsibility. It is, after all, the administrator of the U.S. Government's world-wide communications network, repository of an extensive archive of information on foreign countries (albeit, currently in considerable disarray), and manager of a sizeable professional staff trained in foreign

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languages and cultures. What it requires, however, is a drastic change in its structure that will permit it to be more responsive to the political will and domestic requirements.

The Purpose and Definition of "Foreign Policy"

Foreign policy can have no other purpose than to serve some domestic need or objective. The conduct of foreign relations can have no purpose other than to enrich or secure our national life. Every action we take in dealing with other governments should be guided by its long and short range consequences for our domestic interests. Such a definition of foreign policy does not exclude philanthrophy, charity, or acts of good neighborliness. These too are domestic needs that have to be satisfied so that we may live at peace with our consciences. But they cannot be the dominant components of foreign policy. A universe built upon a system of independent, sovereign nations requires that each such sovereign unit look to its own interest first in dealing with other nations in order to secure and enhance the social, cultural and economic values that bind people together in the form of nation-states.

One gets the impression that these tautologies are ignored by the careerists in the State Department establishment, where the conduct of foreign affairs is more often looked upon as an art form than as a practical exercise in improving our lives at home. "Good relations" or "warm relations" are often thought of as an objective to be protected from the threat of domestic interest rather than as an instrument for furthering them. Commenting on the difficulty of implementing a certain facet of the Johnson Administration's balance-of-payments policy in the small Carribean country to which he was accredited, one of our most highly regarded ambassadors remarked, "I just can't believe that the balance-of-payments tail is going to be allowed to wag the foreign policy dog." Whatever the merits of the Johnson Administration's balance-of-payments program, it is astonishing that a career ambassador should view an effort to correct a serious balance-of-payments disequilibrium as totally outside the realm of foreign policy. Foreign policy, according to this typical careerist attitude, has a much grander purpose which is somehow despoiled when applied to achieve some specific domestic purpose, however legitimate. It is seen as "damaging to our foreign

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policy interest" to engage in such menial pursuits as protecting our foreign exchange position, insisting that countries pay their official debts or that they should share equitably in the cost of our common defense.

It is this view of foreign policy that has given the State Department the reputation of being an organization more prone to represent the interests of other countries than those of the United States, and it is the mistrust, thus engendered, that has led to the decline in the Department's influence. A first requirement for the Department, if it is to capture the authority and influence that the Organic Act of 1789 envisaged for it, is to diminish the strength of the geographic entities that now dominate all State Department activities.

The Geographic Distribution of Power and Clientitis

"Clientitis" is widely recognized as one of the State Department's most unfortunate characteristics. Simply defined, it refers to a tendency to look upon the country or countries within an officer's geographic responsibilities as "clients" deserving special attention. (The term "client" is widely used inside the Department.) Sometimes, clientitis takes the form of seeking preferred treatment for a client-country; at other times, it means seeking special attention for an action contemplated regarding a client-country, be it protective or punitive. Desk officers and country directors are the most seriously afflicted, but even assistant secretaries are not immune.

Unfortunately, the Hoover Commission, in 1949, recommended a structure that made it infinitely more difficult for the Department to resist the client-country tendency. The Commission's recommendations called for a division of responsibilities along geographic lines with the main action responsibility to be vested in five geographic bureaus, each headed by an Assistant Secretary of State. The objective was to permit a fuller delegation of authority from the Secretary downward, and the Commission, assuming that "90% of our international problems" would be bilateral and confined to our relations with one country or one region, decided that a geographic breakdown would be the most convenient. The assumption, of course, proved dead wrong. Our major international problems, today, are not bilateral — they concern

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investment flows and trade restrictions, exploitation of the riches of the sea, nuclear proliferation, climate and weather changes, the world food supply and human rights. None of these is susceptible to bilateral solutions.

But even at that time, the Hoover Commission recognized clientitis as a tendency, if not a problem. To be fair, it has to be admitted that some degree of clientitis is unavoidable in conducting foreign relations. An Ambassador is of greatest use if he has quick access to key officials of the host government which permits him to make representations, obtain information, and deliver important messages in a timely way. To do these things well, he must develop a congenial relationship with a certain number of officials at top levels. It is not unusual for these relationships to evolve into friendships which, on the one hand, enhance an Ambassador's access to host country leaders and their thinking but, on the other, diminish his ability to be as objective as national interests frequently demand. Indeed, in cases in which such friendships develop, it can be quite uncomfortable for an Ambassador to pursue a course that may involve some unpleasantness for the host country, and many Ambassadors fiercely resist instructions asking them to make certain representations, even though clear-cut national interests may be involved.

Since it is predictable that an Ambassador will try to protect his personal relationships in the host country, his recommendations should be greeted with an appropriate amount of skepticism. But, in the State Department structure, instead of skepticism, it is more likely that the geographic bureaus will embellish and reinforce the Ambassadorial recommendation or analysis. There is no doubt that Ambassadors think of the country and office directors (who make up the front line of the geographic bureaus) as their agents in Washington, and there is equally no doubt that the country and office directors accept the agent's role, often with great enthusiasm.

The country desk staff's acceptance of the agent's role is explained in part by the reverence and respect commanded by the title and position of Ambassador. The title represents the pinnacle of a Foreign Service Officer's chosen career, the height to which he ultimately aspires. On the more practical side, the country director knows that he cannot wield nearly

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the influence of an Ambassador and that to dispute him may redound to his own humiliation or even his transfer. On more than one occasion, Ambassadors have intervened at the Assistant Secretary level to have obstreperous desk officers or country directors transferred elsewhere. But, even if a country director or his staff does not fear Ambassadorial retaliation, he is conditioned by training and by his own service at overseas posts to respond accommodatingly to Ambassadorial requests. This is a reaction that is altered little by the change of setting from field post to country desk.

In executing its duties as agent for the Ambassador, the country office or desk promotes the country-client attitude, carefully estimating how each issue should be packaged to increase the likelihood that the Embassy position will gain the acceptance of the top policymaking officials. The selling job is enhanced by the country office's ability to control much of the flow of information. Special knowledge of a country or area, acquired through prior overseas service and years of exposure to its problems, becomes one of the primary tools of salesmanship. With it, one can fend off others whose knowledge is less complete or less intimate, suggesting that their ignorance leads them to the wrong position. When the normal tools of salesmanship fail, there is always the telephone or — when time is not of urgent importance — the official-informal letter which desks and country offices can resort to for "coaching" their Ambassador on what to report and how to phrase it. This is a most popular device when the issue involves additional staff or foreign assistance funds. The allocation of manpower, in particular, is subject to such manipulation with the result that the regional bureaus have become virtually the sole judge of their needs.

Of greater importance, however, is the likelihood that the Ambassador's judgment will be given too much weight in developing the Department's position. This is not to argue that an Ambassador's judgment is not important. Indeed, it may be the most reliable forecast of how one country can be expected to react to a U.S. policy move. But, that is only one ingredient in the policymaking process.

The Department's job should be to amalgamate this ingredient with readings from other Ambassadors and with interests and opinions expressed at home. However, the Depart-

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ment is inhibited from carrying out this task by the way it is organized. More than the Ambassador-agent syndrome is involved. Bureau loyalties – which run strong because of the way promotions and assignments are managed – mean that jurisdictional disputes will take on geographic overtones no matter what logic or objectivity may otherwise dictate. When issues cut across the neat geographic divisions of responsibilities vested in discreet bureaus – and most major ones do – an elaborate clearance process virtually gives each competing bureau veto power. The result, in such circumstances, is that the Department cannot arrive at a clear cut position on any side and winds up presenting a muddied recommendation backed up, usually, by a thick document designed to make sure everyone's point of view is recognized as legitimate.

Corpulence – The Scramble for a Voice

Clientitis combines with corpulence to further distort the way the State Department approaches issues and presents its recommendations. Though one of the smallest Departments – consisting of about 22,000 combined American and indigenous employees in Washington and around the world – it is fat. Its staff is larger than need be to gather and present the information needed to facilitate the conduct of foreign relations. Outside consular and passport work (which has little to do with the foreign relations process) is what the State Department and foreign service employees do most of the time. Its oversized staff precipitates perpetual bureaucratic battles over who will be the star actor. At middle levels, getting to be the star means presenting whatever issue one is concerned with in such a way that it will appear important. Since most officers have discreet geographic areas to analyze, regional biases and distortions creep into the Department's product.

The struggle for recognition also causes other problems that hamper the Department's efficiency. The typical foreign service officer is not content to sit around observing the local scene. He is generally talented, well-educated, and anxious to expose his ideas, and he is whipped on by the need to make his mark in a competitive promotion system. On an Embassy assignment, one road to recognition is being a prolific reporter. The result is intensive coverage of practically everything that happens in a country. The fear of being "scooped" by another

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section of the Embassy, or worse, by journalists, gives the effort a frantic touch, characterized by the reporting of highly perishable material, quickly superseded by other events and often not relevant to our foreign policy. But the compulsion to produce is so strong that officers are more concerned with volume than content.

Field-assigned officers produce some 350,000 reports each year. Many of these would go unread were it not for other similarly over-staffed sections of the Department – especially in the geographic bureaus. Duplication and overlapping in the Washington offices create a heavy work load consisting of nothing more than keeping coordinate offices informed of each other's activities. The desk officer has enough time not only to reciprocate the field officers' gestures, but also to stimulate more reports by inquiring, probing, and challenging aspects of otherwise meaningless reports that strike his curiosity. Here, likewise, is the compulsion to perform, to feel needed, and to keep busy. Competition is keen and one can only stand out in the busy Washington treadmill by finding some nuance in events reported from his country, something special that will cause a stir when he reports at the next staff meeting or something unique he can add to the endless parade of background papers he must prepare for the top brass for their use at Congressional hearings, negotiations, or public appearances.

This paper flood which demands selectivity on the part of would-be readers to insure that the eloquent and interesting copy will be read and acted upon while the less well-constructed and less exciting – even substantively more important – will be left aside. Policy can be distorted as it was in the 1960's, when a $3 million loan for Costa Rica was approved largely because of the eloquence and persuasiveness of an aggressive, imaginative, middle-grade officer. It turned out to be a loan that was never used while more deserving neighboring countries went without. Another example was a loan in support of agrarian reform in Chile, an agrarian reform that was largely a planning document enthusiastically described by an eager young officer. How many similar miscalculations have occurred in matters less easily post-audited?

Yet, the oversized staffs that produce the paper glut are, seemingly, untouchable. All of the elements of Parkinson's Law operate to perpetuate this distortion of resources and its

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unfortunate effects on policy. And if Parkinson's Law is not enough, the Department itself adds to the panic by emphasizing the rewards of "program direction." Supervisory experience is thought to be the key to crashing the gates to the top levels of foreign service rank; to threaten to take away an officer's staff is to threaten his very career.

With all the excess staff, State cannot seem to devote any of its resources to research and analysis. The Bureau of Intelligence and Research theoretically has this responsibility, but it devotes almost all its energy to intelligence of its own; it can only regurgitate or rehash material already reported by others.

No serious research, no systematic cataloging of information or data and no analysis of long term trends are undertaken in the Bureau of Intelligence and Research nor anywhere else in the Department of State. Current data and reports are not even readily available at any central spot. As a result, the memories or "feelings" of experienced officers form the underpinnings of studies which should be based on sound research and analysis.

The Department's Standard – Another Foreign Service Officer

A few years ago, a medical researcher succeeded in transplanting the gene from a frog to the frog eggs fertilized by another frog and produced offspring with the genetic characteristics of the unrelated donor frog. Cloning became a scientific accomplishment.

What the geneticist responsible for the frog experiment did not know was that the State Department has effectively engaged in cloning for many years without the benefit of genetic transplant or even much knowledge of the subject. Selection, assignment, appraisal, promotion and training are all responsibilities carried out by the Department's own personnel. The existing staff decides who should be admitted to its ranks, who should be promoted, and who should be assigned where. The current personnel, set themselves as the standard against which future personnel are chosen. Mavericks do not fare well in this system.

A former Ambassador to India, John Kenneth Galbraith, once observed that at the posts abroad, the staff was not only beholden to the Ambassador for their work but for their social

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lives as well. Until recently, wives of foreign service officers were included in the same hierarchy as their husbands and their "performance" was evaluated. But this practice, humiliating and degrading though it was, was not nearly as destructive as the Department's personnel system. This system virtually bans entry except at the very lowest and very highest levels. Those who enter at the top usually stay only a few years and rarely try to alter the system; those who enter at the bottom are readily cloned to the Department's specifications – or dropped. Impervious to penetration from the outside, the Department's defects have become more and more pronounced in a genetically predictable manner.

The annual Officer Evaluation Report is the effective instrument of cloning. The supervising officer is theoretically guided by certain standards in rating his staff, but, in reality, the guidelines are readily adapted to the subjective judgment. The rater himself is the real standard against which the ratee's performance and talents are measured. The rater, in turn, is measured against the standard of his superior.

The annual Officer Evaluation Report, virtually to the exclusion of all else, determines the officer's career. As a consequence, each officer goes to great lengths to please his superior and his superior's superior (who reviews the report). A kind of blind loyalty results, reinforcing and exacerbating all the evils of the Department's organization. If supporting an Ambassador's recommendation is called for, the officer will be especially zealous in doing so. In jurisdictional disputes, he will be aggressive and inventive in trying to win for his bureau, no matter what policy an objective approach might require.

Reforming the Structure of the State Department

The State Department should be the coordinator and executor of all foreign relations and the formulator of foreign policy under the direction of the President as the Organic Act of 1789 undoubtedly intended. That many other agencies are interested in foreign relations is not an argument for denying the State Department that paramount position in this process. Indeed, those who argue that State should be nothing more than one participant in the foreign affairs process generally concede the need for a supreme arbiter in foreign

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policy to replace the confusing array of *ad hoc* and permanent inter-agency committees now doing the job. The reason that entity should not be the Department of State is never openly confronted, but it is implied that the Department is not appropriately equipped to fulfill that role.

Would it not be more efficient to reform the Department so that it could serve as the President's arm on all foreign affairs matters rather than to create new entities or enlarge some other to meet the requirements? It is true that reform would not be easy. Too many vested interests are at stake; too many titles and cushy jobs would have to be sacrificed, too many sinecures eliminated. But, if the State Department cannot be reformed to meet the larger requirements of conducting relations with other countries, one has to ask whether there is any need for it at all beyond administering our overseas missions. For, after all, if its job is limited to predicting other countries' actions, this could be accomplished just as well by having our Embassies communicate directly with all interested departments and agencies.

The foremost requirement of reform is the restructuring of the Department to make it more capable of translating our domestic interests and objectives into a framework for dealing with other nations. The Department should not be merely a body of experts in foreign reactions, but also a body of experts in domestic trends, one capable of judging not only foreign response to U.S. actions, but U.S. domestic response to foreign moves as well.

Four basic reforms of the Department's structure are required: (1) policymaking and policy-directing responsibilities should be assigned in such a way as to maximize global considerations and minimize the tendency to view policy issues bilaterally; (2) resources should be re-allocated to increase the number of personnel devoted to research and to the systematic collection, storage, and analysis of information, while limiting the policymakers to a manageable few; (3) many more foreign service officers should be detailed to other government agencies and non-government entities and the participation of officials from the private sector and from other government departments on promotion panels, selection boards, and senior training panels should be increased; and (4) the allocation of resources within the State Department should be

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centralized and the annual budget review — now essentially a clerical exercise — should be upgraded to require the involvement of officials of Ambassadorial and Assistant Secretarial rank.

The new State Department structure would be formed along quasi-functional lines into six bureaus:

1. Bureau of Politico-Economic Affairs;
2. Bureau of Politico-Military Affairs;
3. Bureau of Economic and Commercial Affairs;
4. Bureau of Information and Research;
5. Bureau of Administration and Management;
6. Bureau of Security and Consular Affairs (unchanged).

In this structure, the Bureau of Politico-Economic Affairs along with the Bureau of Economic and Commercial Affairs would constitute the chief policy-formulation and policy-executing bodies, replacing both geographic bureaus and Planning and Coordination staff. An officer-level staff of around 50-60 would be the maximum complement. (Economic-Commercial Affairs would likely be slightly larger, but should still be substantially smaller than its present size). The emphasis would be on versatility so that personnel could be shifted quickly if the need arose, depending on world crises, new policy emphasis, and so on. Smaller bureaus, not prone to being the Ambassador's agents, should be able to approach problems more objectively and in greater harmony. Small, busy staffs are less likely to waste time on jurisdictional disputes.

This structure would also provide the ambience necessary for a first-class research establishment. The Bureau of Research and Information, in fact, would be the largest bureau in the Department and would consist mostly of young officers, supervised by capable senior officers with an academic bent. It would be an excellent training ground for these young officers who would thereby have an opportunity to become acquainted, in depth, with problems around the world, ways in which these problems are handled, and the particular sections where they are handled. Since research would be understood to be a normal assignment for young officers, the likelihood of frustrations and disappointments so common among young officers in the present structure would be diminished.

In addition to being assigned to the Bureau of Information and Research, new officers could expect to spend their early

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years either in Administration, Consular Affairs or at Embassies reporting on matters that might be of use to government operations outside the foreign affairs community. There are many areas in which the administrators of public policy here at home could benefit by knowledge of experiences in other countries. For example, the Postal Service could likely learn from postal systems elsewhere and national health insurance policymakers could benefit from the long experience of several other countries with their particular systems.

There is a need to institutionalize such reporting and its distribution. Unfortunately, Foreign Service Officers have traditionally scorned such work as "having nothing to do with foreign policy." Bureau of Mines' Mineral Attaches, for example, whose job it is to collect and catalog mineral resources information around the world, have been given demerits by their Foreign Service Officer supervisors for reporting on events "unrelated to foreign policy." Ambassador Jack Tuthill once amused himself and the press by using a request for a report on "Bats, Wombats, and Other Noxious Beasts" as justification for his so-called operation "Topsy" – a futile effort to cut back the size of our mission in Brazil. This attitude notwithstanding, such reporting should not only be useful but would also provide an excellent training ground for young officers. It would acquaint them with local systems and cultures, make them adept at establishing contacts, and make them proficient in the use of foreign languages. They would also learn more of local attitudes than they would through working only with foreign office officials who are accustomed to dealing with foreigners. When the time would come for them to be assigned to policy positions, they would be better equipped and have a better understanding of why countries behave as they do.

Becoming More Involved with Domestic Issues

In addition, ways have to be found to make the State Department staff more sensitive to domestic interests. Current exchange programs and leave-of-absence policies have to be much more extensive than they now are, and the Pearson Act (which requires that each Foreign Service Officer serve at least one tour in a state or local government before mid-career) should be expanded and given some teeth. Without harm to the

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foreign policy process, as many as one-half to two-thirds of the Washington-based, officer-level staff could be detailed to other government agencies (state, federal and local), to universities, to private industry, to foundations and to study programs. This would translate into each officer spending about one-third of his career in an environment outside of State where he would broaden his understanding of domestic forces that have foreign policy implications. Such assignments should be more than mere training assignments. Foreign Service Officers acquire a variety of experiences abroad that could be usefully applied to domestic operations. Their assignment outside the Department would be doubly beneficial.

To further broaden the outlook of Foreign Service personnel, all promotion panels, selection boards, and major senior training assignment panels should consist of at least half non-State Department personnel. To attract participants of high quality from the outside, a significant honorarium should be offered. A strong outside voice in the selection and assignment of officers would not only bring about a more representative staff, but would, over time, increase public confidence in the Department and form the nucleus of a broader domestic constituency, the current one having been for so long the fall guy for the Department's poor image. And toward the same end, the Inspection Corps, which now consists of senior Foreign Service Officers who only further the cloning syndrome, should be terminated and its function contracted out to an independent consulting firm which has the capability of applying scientific technologies to measure the performance of our overseas operations.

Some Order in Allocating Resources

Finally, the allocation of resources needs to be brought under strong central control under which some semblance of order would replace the present anarchy. Policy review and budget review would become one exercise in which a vigorous examination of policy would be combined with a vigorous evaluation of resources needed to produce the information required to develop and execute policy in a particular area. The basic policy toward a given country should be arrived at more along the lines of the British system in which top Foreign Office officials sit down with Ambassadors and commit to

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paper (not more than three pages) a list of foreign policy objectives and principles for their relations with each country ("The Foreign Assessment Sheet"). The advantage of this approach is that the high level of participants in this exercise gives it authority. Earlier attempted definitions of policy and resource needs in the State Department have been little more than shopping lists with only a cursory review of policy by mid-level officials. Top-level Department officials have rarely participated.

The responsibility for coordinating the effort should be concentrated in a new, strengthened Bureau of Administration and Management, headed by an Under Secretary and having the responsibility for all personnel and assignment functions as well as the handling of funds. Budget and fiscal operation is now a third level operation, totally separated from personnel management, and the two are frequently in conflict.

By controlling both money and personnel at the top political level, the Department management would have the power to shift resources and make changes, streamlining operations to suit changing times. This alone, would fill a serious void in the Department's present structure. In short, the management function would become the Secretary's right arm, improving the Department's response to political leadership and the President's mandate.

It has been said, somewhat facetiously, that whereas the Navy was organized by a genius to be run by idiots, the State Department was organized by an idiot to be run by geniuses. This observation, if nothing else, brings into focus an old question: Will the wisdom and ingenuity of people (or lack thereof) prevail no matter how imperfect is the organization they are part of?

No doubt, it is true that people make organizations work rather than the reverse. But, as organizations grow larger, how they are organized becomes of greater and greater importance. A family unit may need little formal organization; a military force of two million obviously needs a great deal. While people may make organizations work, it is also possible that poor organization can prevent people from working efficiently.

Above all, reorganization of the State Department should not be avoided simply to protect the sensitivities, comfort, or power

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of those who would be affected. One gets the impression that an entrenched and self-satisfied elite corps, jealously guarding an archaic array of titles and privileges, is at the heart of the State Department's reluctance to change, to become more a part of American society and to look inward as well as outward. The State Department should reassess its posture for it has already come periously close to the kind of relic status enjoyed on a much grander scale in Britain by the House of Lords.

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The Growth of the Imperial Judiciary

ERNEST VAN DEN HAAG

We are witnessing an immense expansion of judicial power. It is used to support, increase, or impose infinitely proliferating regulations on the activities of individuals and on their organizations. The regulations enforced by the courts are meant to protect asserted rights of aggrieved persons and groups through procedural safeguards, or, more often, by prescribing the results thereof. For this purpose, the courts also have restricted on occasion the power of representative political bodies and, when resisted, have taken a managerial role to carry out their own mandates. Power has shifted from individuals and organizations to the executive bureaucracy and the courts. Bureaucratic and judicial powers have been used over the last decades to reduce freedom, particularly in such matters as housing, schooling, hiring and firing, or buying, selling and producing.

We are witnessing an expansion of judicial power in a different direction as well. The courts have restricted the power of law enforcement agencies and have imposed rules of evidence and procedure which have the effect of greatly reducing the ability of the criminal justice system to capture, convict, and punish offenders. The courts have restricted the freedom of non-criminals and of the police in favor of asserted societal values, while increasing the freedom of criminals and of criminal suspects. While they have increased the regulation of society and their own regulative power, they have decreased the protection of society from crime. What accounts for these concurrent trends?

American society certainly is less willing than it was in the past to accept the effects of unequal income distribution on the allocation of goods deemed to be essential and more and more goods are now deemed to be essential. Health and education, as well as many other elements of welfare, such as minimal income, are now deemed to be essential goods to be provided by the government, independent of individual efforts or of market forces. The courts have assumed the task of supervising government provision of these goods and of

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welfare payments. In contrast, in the past, military, police and fire protection were the main services paid out of taxes. The trend to increased political distribution of goods and services is, I think, universal and persistent.

The goods not allocated by the economic processes of the market must be allocated by the political process. It is not clear whether redistribution attempts by the political process do or can actually benefit the supposed beneficiaries. But redistributive efforts require an infinite amount of regulation which benefits the regulators, increasing their number, their power, and their income. Thus, political redistribution – and there is no other deliberate redistribution – increases bureaucratic power and ultimately increases the power of the courts. Some of the expansion of judicial power, then, is inherent in the expansion of regulation. But the courts have imposed regulations of their own as well, regulations not mandated by anything but judicial ideas about such things as abortion, fourth amendment implementation, or schooling.

"The Legalitarian Society"

Ideological factors surely play a major role in the proliferation of regulation, particularly what the late Alexander Bickel called "the assault of moral imperatives." They produced what he called "the legalitarian society" – an echo, in more senses than one, of the egalitarian society. Surely the judiciary has, to say the least, connived in the judicialization of problems that in the past were handled by political institutions or by independent social organizations, such as schoolboards, universities, business firms, municipalities, or professionals of various sorts.

Bickel illustrates the victory of felt moral imperatives, not only over tradition, moderation and balance, but over the law. Indeed, the law was defeated by the courts. Bickel tells how, when a lawyer advanced legal arguments before the Supreme Court, Chief Justice Earl Warren would "shake him off saying, 'Yes, yes, yes; but is it right, is it good?'" The chilling anecdote suggests that – at least for a time – the court thought its function was to inquire into the goodness rather than the legality of laws and policies. The Chief Justice was enthusiastically supported by a chorus of "liberal" academics, such as Professor Fred Rodel (Yale) who exulted that Warren

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"brushed off pedantic impediments to the results he felt were right." Rodel ardently supported the Chief Justice's "offhanded dismissal of legal and historical research" in favor of "pragmatic dependence on present day results." Liberal academics felt that the courts were legislating provisions they regarded as morally imperative which the legislatures had refused to enact for lack of electoral support. Hence, they supported the expansion of judicial power. The whole academic establishment supported the courts' legislation and approved of the Supreme Court acting as a super-legislature and encouraging courts below to follow.

To be sure, courts cannot help making new laws by interpreting existing laws and thus elaborating on their intended meaning. But unless courts do so by sticking to what they can reasonably infer from existing law and leave it to political bodies to add to legislation when necessary, the judicial competes with the political process and ultimately absorbs and replaces it, unbalancing what the framers intended to balance. This has happened far too much. "In a democratic society," Chief Justice Burger correctly has pointed out, "legislatures, not courts, are constituted to respond to the will and consequently to the moral values of the people." The Chief Justice reproved those who took the "cruel and unusual" phrase of the Eighth Amendment as authority to replace the political by the judicial process, detecting "evolving moral standards" which would authorize the judiciary to disregard the laws adopted by the states and the constitutional authority given them to "deprive of life, liberty or property" those who had committed crimes which, in the opinion of legislators, deserved these punishments. If moral standards indeed have evolved so as to exclude capital punishment — and I know of no evidence for such evolution — the Chief Justice indicated, it would be up to legislatures to enact them. The judiciary was meant only to apply and interpret the standards that already have been legislated.

But the judicial excesses that resulted in the court's regulation of abortion, of schooling, and indeed of a never-ending array of activities, can hardly be reversed. The best we can hope for is limitation. With this in mind, let me turn to the obstacle course the courts have made of the criminal law.

The judiciary was meant to "secure these rights," the rights

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of life, liberty, and of the pursuit of happiness, which our Constitution guarantees. It has failed to do so. The courts have fettered themselves with procedures which make the conviction and punishment of those who break the criminal law a difficult and often impossible task, so that in the words of Prof. Joseph W. Bishop, Jr. (Yale), "the incarceration of even the most obviously guilty criminal is a task comparable to landing a barracuda with a trout-rod and dry-fly." Bishop points out that there are innumerable procedures to delay and frustrate prosecution, including 26 separate state and federal proceedings to request the suppression of the results of each act of search and seizure quite apart from *habeas corpus* proceedings which, despite recent minor limitations, are still essentially unlimited.

Lincoln warned that the citizens "seeing their property destroyed, their families insulted and their lives endangered" would "become tired and disgusted with a government that offers them no protection." I think we have become "tired and disgusted" with a judiciary that insists on protecting those it knows to be guilty of crimes, by perversely refusing to "admit" proofs of guilt when they have been obtained through erroneous procedures.

Few Felonies Lead to Prison

At present, less than 2 percent of all reported felonies lead to imprisonment. In New York, 100,000 people were arrested on felony charges in 1976; only 20 percent were indicted for committing felonies, and of those indicted, only a little more than 50 percent were convicted. By no means all of the convicted served time. In 1976, in New York, 17,000 juveniles under the age of 16 were arrested for serious assaultive crimes. Less than 10 percent were confined even for a minimal time. (But there the fault lies with the law, as well as with its application by the courts.)

It is instructive — though one must be cautious in international comparisons — to compare American with Japanese data. (Japan is the only country whose crime rate has steadily declined over the last 30 years.) The clearance rate (by arrest) was 71 percent in 1975 (57 percent without traffic accidents). Ours is 20 percent. For homicide, the clearance rate was 96 percent; for rape 91 percent; for robbery 81 percent. The

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conviction rate was 90 percent. In Japan, clearance, i.e., arrest, is almost the same as conviction. In our country, only a small proportion of criminals are arrested, and most of those arrested go free. There are many reasons for the difference. But they certainly include the immense and perverse obstacles the judiciary has constructed to make it harder for the police to arrest and for the courts to convict wrongdoers.

In 1914, the judiciary (in *Weeks*) created a federal rule, extended to the states in 1961 (in *Mapp*), which made unlawfully obtained evidence inadmissable in court. The rule was criticized by Benjamin Cardozo in these words:

> The criminal is to go free because the constable has blundered . . . The pettiest peace officer would have it in his power, through overzeal or indiscretion, to confer immunity upon an offender for crimes the most flagitious. A room is searched against the law, and the body of a murdered man is found. If the place of discovery may not be proved, the other circumstances may be insufficient to connect the defendant with the crime. The privacy of the home has been invaded, and the murderer goes free.

Cardozo's words have proved prophetic. Since his time, the exclusionary rule, extended to the states by the Warren court, has proliferated. Evidence found as a result of an arrest without probable cause must be suppressed. So must evidence found as a result of a dubious confession (which the evidence would prove to be true). And evidence discovered in a warrantless, or otherwise disapproved, search of a garbage can or a car trunk cannot be admitted, let alone evidence improperly overheard or seized from a person or any evidence to which it leads.

In its rigor and extent, the exclusionary rule is unique to the U.S.; it often prevents police from arresting and searching suspects, and courts from considering evidence and from convicting. The subject of trials no longer is the sufficiency of evidence for guilt but the admissibility of that evidence. The following report taken from *The New York Times*, April 12, 1975 (quoted in my *Punishing Criminals*[1]), illustrates judicial folly.

In early October, 1972, I was mugged at the front

1. New York: Basic Books, 1975. pp. 171-172.

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door of my house in Hollis Hills, Queens. The mugger was caught within three hours of my report to the police. I pressed charges and six hearings over a span of six months ensued! When my father and I walked into the sixth hearing, the defendant, his wife, and his brother-in-law were overly friendly, waving, smiling, and bidding us good luck. All the evidence which helped catch the mugger was offered: (1) description of car – year, type, color; (2) license plate number – one number off, M instead of W; (3) $40 in the mugger's pocket in the exact bills I reported missing; (4) an autoharp pick – he did not know what an autoharp is; (5) an almost exact approximation of his height and weight; (6) accurate description of his clothing, etc. . . . The mugger was freed after the sixth hearing because of an illegal search of vehicle by the policeman. Last night on Channel 5 News, there was an item about the $1 rapist, who was finally caught after raping about 25 women in Queens. His name, Leroy Hamlin, was the same man who mugged me . . . Mr. Hamlin had several previous arrests prior to mugging me.

The exclusionary rule which led this court to free the suspect was created and constantly extended by the courts. The purpose of the rule was to restrain police from violating the law in enforcing it. The rule never achieved that purpose. Before *Mapp* some states adopted exlusionary rules of their own; others did not. No significant difference in police behavior was ever detected. Since *Mapp* the exclusionary rule has been steadily expanded. The judiciary seems to take a perverse delight in expanding it so as to set free admittedly guilty persons.

Illustrations abound. The last – not necessarily the worst – to come to my attention is a decision by the U.S. Court of Appeals for the District of Columbia (*U.S.* v. *Montgomery*, 1977). Police, whose suspicions had been aroused by a car's repeated circling of the same area, made a routine traffic stop. They found the driver to have an arrest warrant outstanding against him and searched the car. They found bullets, an unregistered revolver (loaded), an unregistered sawed-off shotgun, and shells. Judges Wright and Leventhal freed the defendant, arguing that the police suspicions, however justified they turned out to be, did not suffice to search the car. As Judge Wilkey

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pointed out in a remarkably forthright and well-argued dissent, the court, in effect, held that police cannot prevent crimes; they must wait until crimes are committed. Unfortunately, the majority decision is not exceptional. But there are some hopeful signs.

A Trend Against the Exclusionary Rule

In *Calendra* (1974) the Supreme Court finally has begun to restrict the exclusionary rule. The majority in *Calendra* declared that the rule was a "judicially created remedy designed to safeguard Fourth Amendment rights through its deterrent effect rather than a constitutional right of the party aggrieved." If the exclusionary rule was meant only to be a deterrent to unlawful police actions, there is no rational ground for keeping it, for the inadmissibility of evidence obtained by illegal searches or seizures never did deter police illegalities.[2]

In 1976, in a decision written by Mr. Justice Powell, the court indeed admitted the irrationality of the exclusionary rule — without abandoning it. Justice Brennan dissented. He acknowledged the ineffectiveness of the rule as a deterrent, but argued that the government should not benefit from the unlawful acts of policemen. Brennan did not say why guilty defendants should. As a matter of fact, the government materially benefits from many unlawful acts, for instance, by deriving tax revenues from them. This benefit seems much more morally dubious than a benefit that consists of bringing a murderer to justice. However, the question of benefits was settled conclusively by the Emperor Vespasian when he answered "*non olet*" (the money does not smell) to those who felt the empire should not benefit by taxing prostitutes and latrines.

Ironically, innocent defendants cannot benefit from the exclusionary rule. It merely prevents admission of evidence. The innocent person arrested without probable cause derives no advantage. The exclusion of evidence does not help him to get compensation. But the guilty person arrested without probable cause derives a great advantage. He will be set free as though innocent if the police made a mistake in seizing

2. An excellent survey of the origin and effects of the exclusionary rule is found in Steven R. Schlesinger, *Exclusionary Injustice*, N.Y., 1977.

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evidence or if the police arrested him without being able to satisfy the court that there was "probable cause" – no matter how guilty the arrested suspect turns out to be.

The ineffectiveness of the exclusionary rule as a deterrent against violations of the Fourth Amendment has been shown by numerous empirical studies. Why anyone would think that exclusion of evidence obtained by unconstitutional searches or seizures would prevent policemen from engaging in them is unclear. That this exclusion leads to all kinds of perversions of justice has been shown over and over again. Matters would be different if the courts, finding that the police had acted unlawfully, would notify appropriate authorities for proceedings against the police officers concerned. The courts do not do so. Why then should a policeman be deterred from making arrests and seizing evidence even if defendants will be freed and the evidence suppressed? His record is improved by the arrests. He need not care about what the courts do – the case is cleared, as he sees (and his superiors do), by the arrest. Indeed, if he wishes the arrest to be ineffective or conviction impossible, all he needs to do is to commit "errors" which will lead to the suppression of evidence. Thus, the exclusionary rule is an open invitation to corruption.

However, if courts were to notify authorities of the errors or unlawful acts of police officers, they would not need to suppress evidence or free suspects: policemen surely would be deterred by the notification if, when warranted, it is followed by disciplinary action. Thus, the notification would suffice and the evidence could be used. Somehow no one seems to have thought of solving the problem in this way. It is too simple.

Perhaps prosecutors (who need the cooperation of the police) will fail to prosecute and police commissioners, protective of their men, will fail to discipline them even when notified of overzealous and unlawful acts. But surely this can be remedied by establishing an independent disciplinary authority to be notified by the courts – and by facilitating recovery by aggrieved parties. To fail to convict guilty defendants because of the errors made, wittingly or unwittingly, by policemen in arresting them, or in seizing evidence, or in accepting confessions, is as futile as it is absurd. But it is what the courts in their wisdom have decided to do. Nothing in the Constitution mandates such foolishness.

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A Classroom Experiment

Let me conclude by illustrating the state of, at least, some collegiate opinion of the meaning of judicial process by means of an informal experiment which I recently undertook. It seems to me that the opinion revealed by the experiment reflects the image the courts have created, and that their image, in its absurdity, reflects their behavior.

I told my class that I had invented a little apparatus which would

1. light up the head of any suspect if there is enough probable cause to arrest him; and
2. lead him to answer every subsequent question truthfully.

The apparatus was supposed to involve neither pain nor psychological pressure and to function without the suspect even knowing that he could not but be truthful, regardless of the presence or absence of lawyers.

Many of my students raised "constitutional" objections about self-determination. They forgot the purpose of constitutional safeguards: to prevent undue pressure in sorting the innocent from the guilty, and to prevent conviction of innocent, not of guilty, suspects. The idea that the judicial process is a game has taken hold. Adversary procedure is viewed as an end in itself rather than as the best means so far devised to separate the innocent from the guilty. In a game, all participants should have an equal chance. The guilty should be able to pretend innocent; they ought to have a fair chance to go free. The idea that the rules of the game were made to protect the innocent, even at the cost of allowing some of the guilty to escape, has been forgotten. Else my imaginary apparatus obviously could replace the rules of the game, since it would make the whole game unnecessary. But no longer. Lincoln's anecdote of a woman who saw her husband struggle with a bear comes to mind. She was judicious and impartial and shouted: "Go to it husband! Go to it bear!"

About 30 percent of my class had difficulty allowing my apparatus to be used at all. I then introduced a complication. I explained that my apparatus would not work when a person's skin is white or his income is over $20,000 per annum. Whereupon nearly 70 percent of my students opposed the use of my apparatus. I explicitly asked them here to ignore legal considerations and to tell me whether they would approve *morally* of the

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use of my apparatus. However, they felt that if some guilty persons get away all should be allowed to get away. They persisted even after I pointed out that in any system some guilty persons do get away while others are convicted, that unequal and incomplete justice is all that can ever be attained in this world: no court can convict all guilty persons since evidence depends largely on accidental matters. In effect, about two-thirds of my class preferred *equal injustice* to *unequal justice*. They preferred an unattainable ideal, equality, to an approximation of a desirable ideal, justice, as equal as possible, consisting in convicting as many guilty and sparing as many innocent as the available evidence allows. To prefer equality to justice is to obtain neither. That is indeed what our judiciary is obtaining for us. The view of my class reflects the practice of the judiciary all too well.

Justice is not the only notion slighted in favor of equality. Sociologists, psychologists, and ideologists of many shades have long denied that the punishments the courts are authorized to mete out can be either just or deterrent. Hence, the courts have consented to hand over part of their constitutional power to agencies such as parole boards who have discretion to shorten court-imposed sentences. In the process, parole boards try to determine the chances that the convict is rehabilitated by means of criteria which cannot be recommended either philosophically or scientifically.

As rehabilitation has been proved a chimera, the practice has lost favor, but not on the principled ground that people are punished for what they have done and that, therefore, it makes no sense to change their punishment because of what is surmised that they will do. No, parole is opposed because it may lead to inequality: two persons having been sentenced to the same term may be paroled after serving unequal terms. Yet what is wrong with parole is not that it leads to unequal punishment, but that the reasons given for the inequality of sentences actually served, even if true, would not justify it. Even if parole boards were able to predict correctly the behavior upon release of those they do (or do not) parole, the relevance of that behavior to the punishment deserved by past guilt is not clear. Parole is bad not because it leads to inequality but because it leads to injustice. Equality is desirable only if it equalizes justice — not if it equalizes injustice. But parole is likely to

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be abolished because it leads to inequality – and perhaps we should be thankful. And so we should be thankful for any use the court makes of its power to abolish or at least to diminish some of thè obstacles to justice it has constructed. Even half a loaf would be a lot.

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The Goals of the Welfare Industry

CHARLES D. HOBBS

The term "reform" implies a significant departure from past policies and practices. In this sense, the dramatically promoted Carter Welfare Reform Plan, like its conceptual parent, the Nixon Family Assistance Plan, is not a reform at all. Only 5 of the 44 welfare programs and less than 20 percent of total welfare expenditures will be affected. Its single innovation – the negative income tax concept – has been altered to extend the policies and accelerate the practices which have in the past increased taxes and dependency and fostered public dissatisfaction. The Carter plan is simply another welfare industry plan, designed to meet industry goals.

Government expenditures for welfare programs in 1976 (as defined in *The Welfare Industry*) totalled $187 billion. The combined average growth of these programs between 1971 and 1976 was 25.11 percent a year, 2.5 times the GNP growth rate and 3 times the growth of wages for the same period. A preliminary analysis of the 1979 federal budget shows continued growth, with 1977 welfare expenditures estimated at more than $210 billion, and 1979 expenditures projected to be more than $250 billion.

Coincident with the extraordinary growth of welfare expenditures has been the development of a national welfare industry, now composed of 5 million public and private workers distributing payments and services to 50 million beneficiaries. This "industry" has four main goals: growth of welfare expenditures at a pace faster than national economic growth, centralization of welfare control and administration in the federal government, ever-increasing complexity of welfare programs and operations, and ever-expanding welfare industry employment.

These goals have been met to a remarkable degree: expenditures are growing at 2 to 3 times the pace of the economy; all but two of the 44 programs examined in my book are controlled by the federal government; federal expenditures constitute 80 percent of total expenditures; interactions among

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these programs are so complex that the industry itself cannot calculate their effects; and industry employment has expanded to the point where the government is a monopsony (sole purchaser) to several welfare-related service trades.

Two concepts have been developed to implement a guaranteed income policy, a prime goal of the industry. The first is the concept of family allowances — payments based only on family size and not determined by need. As a means of implementing a guaranteed income policy, the concept of family allowances is simple and efficient. But as a means of redistributing wealth, the concept is politically unacceptable since it pays the same amounts to rich and poor alike.

The second concept is the negative income tax, originally proposed by economist Milton Friedman in the late 1940s. In this concept the government takes taxes from people with incomes above a certain level, just as it does now, but pays grants (reverse "taxes") to people with incomes below that level.

In assessing these concepts the industry was faced with a Hobson's choice: a family allowance program would greatly expand industry scope and power but was politically untenable, while a politically appealing negative income tax system would reduce the industry itself to a handful of tax accountants. The dilemma was solved by accepting the negative income tax concept and altering it to conform to industry goals, in a massive application of the industry-controlled program design process. The process has produced a series of conceptually identical reform proposals: the first a guaranteed income proposal prepared for and rejected by the Johnson Administration, the second the Nixon Family Assistance Plan, and the latest the Carter Reform Plan.

Friedman's conception of the negative income tax was in consonance with only one of these goals — system expansion — and partially supported another — centralization — although centralizing welfare administration in the IRS was not acceptable to the industry centered in HEW. The industry's program designers adapted Friedman's concept for the Johnson Administration by restoring administrative control to HEW — thus preserving the welfare bureaucracy — and by limiting application of the negative income tax concept to only two welfare programs — Aid to Families with Dependent Children

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and Supplemental Income (then called Aid to the Aged, Blind, and Disabled) – leaving all of the other programs intact and thus salvaging the primary goals of system complexity and industry employment.

When the Johnson Administration rejected the proposal, the industry added job training and child care provisions – to increase industry employment – and presented it to the Nixon Administration, where it became the Nixon Family Assistance Plan. Although this plan twice failed to pass Congress, the industry has further embellished it with earned income credits – to further expand the welfare population and guarantees of federal jobs for welfare recipients – to further increase industry employment – and it is now being presented as the Carter Welfare Reform Plan.

Despite the reform rhetoric in which both the Nixon and Carter plans have been cloaked, neither is original and neither meets the reform desires of the public. Moreover, both are essentially the same plan, a plan contrived by the welfare industry to make the negative income tax concept fit its goals.

The first step in true welfare reform must be the restructuring and redirection of the welfare industry. Then the welfare system can be revamped to meet public expectations. The principles for industry reform may be stated most simply as the reverse of the industry's own goals: (1) reduce the number of welfare workers; (2) simplify the welfare system; (3) decentralize the control of the welfare system; and (4) reduce welfare expenditure growth, so that welfare does not grow faster than the national economy.

Welfare reform is a worthy goal, not just politically, but socially and economically as well. The welfare system has failed those who need it and those who pay for it; dependency and taxes have increased in concert. Only the welfare industry has benefitted. And it is the industry which must be reformed if welfare is ever to be refocused on its true purpose: to help those who cannot help themselves.

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The Defense of the West

WINSTON S. CHURCHILL, II

For more than 30 years the peoples of Europe — unique among the generations of the 20th century — have enjoyed the inestimable blessings of peace. Out of the ashes and devastation of two World Wars a new Europe has been built — a Europe in which the living standard of the average family far exceeds anything dreamed of only a few years ago and which has achieved for its peoples unprecedented social and technological advances.

The peoples of the Western democracies fought the Second World War with, above all, two goals in mind: the maintenance or restoration of their countries' freedom and the establishment of a lasting peace. There was a widespread recognition that mistakes were made in 1919 which should not be repeated in 1945; principal among these had been the oppression of the vanquished — summed up in Lloyd George's phrase: "We will squeeze the German lemon until the pips squeak" — and the failure to accept the right of peoples to self-determination. Thus, when the United Nations was established in 1946, it was founded on the principles of self-determination and respect for human rights and had as its aim the maintenance of peace through the restraint of aggression by a worldwide system of collective security.

When the last survivors of the Nazi concentration camps were liberated, there was a general assumption in the West, whose peoples had endured, suffered and sacrificed so much, that they had won freedom, not for themselves alone, but for all mankind. Alas, it was not to be. In the moment of triumph, the wartime alliance was betrayed. The Soviet Red Army which occupied half of Europe, coming ostensibly as "Liberators" from the Nazi scourge, came in fact as a force of invasion and occupation. A generation and a half after the end of the War, more than 200 million people of Eastern Europe continue to be denied both basic human rights as individuals and self-determination as nations. For many, for example the

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Czechoslovaks, seven years of Nazi occupation has been followed by more than thirty years of Soviet occupation. Today, in Czechoslovakia alone, there are no fewer than five Soviet divisions with more troops and tanks than Britain's entire Rhine army – they are not there as a defensive force, but as an army of occupation. In each of these countries, we see long traditions of nationhood and independence submerged under the oppressive rule of totalitarian dictatorship and the police state.

The Growing Soviet Challenge

Today a new challenge presents itself to the Western democracies, a challenge which, for the first time in a generation, seriously calls in question the prospects for stability in Europe and for world peace. Not content with denying human rights to their own peoples and independence to the nations of Eastern Europe, the narrow political clique wielding power in the Kremlin is in danger of disturbing the delicate equilibrium of forces which has been the foundation of world peace for more than a generation. Once again we see a single nation, ruled by totalitarian dictatorship and motivated by an unconcealed determination to dominate the world, building up a war-machine far beyond any requirement of self-defense or the deterrence of war. Whether the Soviet leadership has embarked on this policy of arms-escalation for the purpose of furthering aggressive military designs or of providing a strong power-base from which to wield decisive diplomatic pressure and military blackmail, is impossible to know. To argue the point is irrelevant for, whatever the intentions of the Soviet leadership today, they can change over a weekend. What is indisputable is that this buildup, together with the political designs that are behind it, represents a challenge which the Western democracies will ignore at their peril. Our democratic society is being put to the test – at the end of the day are we to be found wanting? The brutal challenge that confronts us inevitably, and rightly, leads us to re-examine the values on which our society is founded. Are those values still valid today? If so, are they worth defending? And, if we conclude that they are, what are we prepared to sacrifice to defend them? Are we prepared to spend as much on defense (£110.64 or $220 per capita in 1976) as, for example, we spend on alcohol and

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tobacco (£162.46 or $324)? Are we, if need be, prepared to make the ultimate sacrifice and lay down our lives in defense of freedom, as two generations have so selflessly done before us?

The Soviet Union's challenge to the West is threefold: a growing military threat at both strategic and conventional levels; a military and economic assault against the Third World as evidenced by recent Soviet involvement, direct and through third parties, in Africa; and a campaign of political subversion designed to undermine the Western democracies from within – the case of Portugal being merely the most flagrant so far.

The Soviet Bid for Supremacy

While engaging the West for much of the 1970's in a diplomatic offensive known as "detente," with the aim of persuading the Western democracies to lower their guard – a ploy in which they have been remarkably successful – the Soviet leadership simultaneously launched an all-out bid to achieve military supremacy over the West.

The NATO allies have long drawn comfort from the fact that, though they are outnumbered by the Soviets in the primary measures of military power – tanks, artillery, maneuver battalions, armored personnel carriers, combat aircraft, and so forth – NATO holds a significant "qualitative" advantage in its weapons, particularly nuclear and advanced conventional weapons in the same way that the Victorian empire-builders fighting superior numbers of Africans and Indians, took heart from the fact, immortalized by Belloc, that "We have the Maxim gun, and they have not!"

The days of effortless supremacy for the West are now gone. By a supreme effort, involving the diversion of vast economic and technological resources, the Soviets have taken the SALT I Agreement of May 1972 as the opportunity to catch up with the United States and achieve parity or "rough equivalence" in nuclear strike-power.

The Soviets now enjoy the psychological strength of no longer being the underdog in the nuclear race and, by the same token, the United States, having lost its former clear advantage, may feel more wary of being involved in any future confrontation with the Soviets. Meanwhile in Europe the strengthening of Soviet conventional forces – more than one million Soviet

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soldiers with no fewer than 25,000 tanks now face Western Europe – has given the Soviet Union the capability of a "standing start" attack, as was so dramatically achieved in Egypt and Syria against Israel on October 6, 1973. The Western allies, like Israel, base their defensive strategy on the mobilization of reservists and the deployment of reinforcements, but the recent development in Soviet strike capability means, according to the top military authorities in NATO, that the Alliance can now be sure of no more than 72 hours warning – rather than the 30 days warning or tension period previously relied upon.

Most worrying of all are the current trends in Soviet production. Soviet armaments factories are churning out 3,000/4,000 T-64 tanks, 1,800 combat aircraft and 250 nuclear missiles a year – out-building Britain's entire inventory every three months. Neither the restraint of arms-production shown by the West nor the mood of "detente" has in any way been reflected in an abatement in the arms-escalation policies of the Soviet Union.

Thus, it must be the aim of the Western democracies to secure a serious and binding arms-control agreement with the Soviets. However, with the exception of an agreement not to deploy more than one anti-ballistic missile (ABM) system, little has been achieved in the SALT negotiations, and nothing at all in the talks on Mutual Balance Force Reductions (MBFR).

In the absence of a satisfactory SALT or MBFR agreement, the NATO allies will have no choice but to make a seriously increased effort to strengthen their defenses, for only in this way can it be brought home to the Soviet leadership that they are wasting their time – not to say their peoples' resources – through their arms-escalation policies and that they had best revert to the previous policies of peaceful co-existence that prevailed under Khruschev. If they do not, the nations of the Western Alliance will find themselves on the downward path they have trodden with such disastrous results already once this century, a path on which the political options open to them will become more and more restricted until they reach the point of no return.

Europe Must Strengthen Itself

For too long the nations of Western Europe have taken a

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free ride off the United States and have neglected their own defenses. If some 300 million of the most prosperous and technologically capable people of the world are not prepared to make such modest sacrifices as are required to maintain their freedom, they will not long remain free, nor will they deserve to. Britain can play, if she so chooses, a key part in strengthening the cohesion and unity of Western Europe and can, by giving a good example to our European partners, strengthen Europe's defenses so as to ensure that the deterrent is seen to be valid by those who may contemplate either war or military blackmail.

If we ignore the warnings, if we fail to confront the harsh realities that are before us, there is a danger that we will see peace, which we have taken so much for granted, slipping from our grasp. All too frequently it has been glibly asserted by politicians that the facts cannot be put before the people as they would be unpopular. I venture to believe that the overwhelming majority of the British people, when confronted with the facts, have enough common sense and moral fiber to recognize that there is, in the last resort, nothing more important to them than to continue to be able to live their lives in peace and in freedom. Only by arousing our people to the new dangers that confront them can we hope to turn the world away from the disaster course on which it is set. If we can achieve this, there can be no doubt that the strengths and values of the free society will prove more enduring than the ideologies of the totalitarian police states. Although these despotisms give the appearance of being all-powerful, they are in reality rotten to the core and they will ultimately be overthrown by their own peoples demanding liberation — provided only that the Western democracies are able to keep the torch of freedom burning brightly.

EDITOR'S NOTE: The above article was revised for *Policy Review* from a chapter in the forthcoming anthology, *In Defense of Freedom*, edited by Kenneth Watkins and published by Cassell and Co., London.

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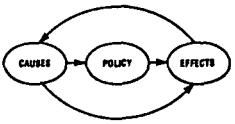

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Tuition Tax Credits: A Social Revolution

THOMAS SOWELL

The Packwood-Moynihan tuition tax rebate legislation is, as Professor E. G. West aptly calls it, "a crucial event in the history of education."[1] Its "revolutionary potential for low-income groups"[2] has been missed by most other commentators and critics and deserves further exploration.

Why is this bill so important – and to whom? It is most important to those who are mentioned least: the poor, the working class, and all whose children are trapped in educationally deteriorating and physically dangerous public schools. Few groups have so much at stake in the fate of this bill as ghetto blacks. To upper-income families with children in college, the maximum $500 tax relief is hardly of decisive importance, when annual college costs range up to ten times that amount. The campaign of misrepresentation by the education establishment has depicted the affluent as the chief (or sole) beneficiaries, when in fact the opposite is nearer the truth. There are many times more students in elementary and secondary schools than in college, and among those children enrolled in pre-college private institutions, there are more whose parents earn from $5,000 to $10,000 a year than those whose parents are in *all* the brackets from $25,000 on up.

Even the current enrollees in private education are not primarily the affluent. The average family income of private elementary and secondary school children is about $15,000. But since the whole purpose or effect of the tuition tax rebate is to extend to others the opportunity for private education, the question is not so much who *now* goes to private school, but who *could* go after this legislation is in effect. No doubt those who went to college in past generations, before the G. I. Bill and other educational subsidies, were far more affluent than the general population, but to object to the

1. E. G. West, "Tuition Tax Credit Proposals: An Economic Analysis of the 1978 Packwood/Moynihan Bill," *Policy Review*, Winter 1978, p. 62.
2. *Ibid.*, p. 64.

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G. I. Bill as aid to the affluent would be to miss the whole point – that it extended a privilege previously enjoyed by a few into an opportunity open to millions more. That is precisely what this bill does. That is precisely why it is being opposed and misrepresented by those whose jobs, pensions, and power derives from the public school bureaucracy.

Most Private Schools Less Expensive Than Public

While $500 does not begin to cover college costs, it does cover all or most of the cost of sending a child to many private day schools. Most of those private schools are not the expensive Andover or Exeter stereotypes, but rather schools costing a fraction of the tuition they charge – and having costs per pupil that are a half, a third, or a fifth of the per pupil cost in the public schools. It is not uncommon for Catholic parochial schools costing a few hundred dollars a year to have test scores higher than public schools in the same neighborhoods with per pupil costs well over a thousand dollars. One of the misrepresentations by opponents of the tuition tax rebate is that it would cost billions of dollars. They are talking about Treasury disbursements, which may be politically important. What is *economically* important is that a shift of students to lower-cost private schools can *save* billions of dollars for society as a whole.

Most of the private schools do not have the runaway pay scales or plush pensions that teachers' unions have extracted from politicians handing out the taxpayers' money. Few parochial schools are surrounded with tennis courts or contain many of the other expensive amenities or status symbols that add little to the education of children, but which have become part of the fringe benefits of public school administrators. Indeed, most private schools have far fewer administrators per hundred pupils, which is no small part of the reason for their lower costs or for the opposition of public school administrators to allowing parents a choice of where to send their children.

The crux of the controversy over this bill is *choice* and *power*. If parents are given a choice, public school officials will lose the monopoly power they now hold over a captive audience. That monopoly power is greatest over the poor,

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but it extends to all who cannot afford to simultaneously pay taxes for the public schools and tuition at a private school. Public schools in affluent neighborhoods where parents already have that option must pay some attention to those parents' wishes and be responsive. But parents in poorer neighborhoods and ghettoes have no such leverage to use to get attention, response or even common courtesy. The mere prospect of being able to remove their children to private schools changes all that. In other words, the benefits of the availability of tuition tax credit do not end with those who take advantage of it, but extend to those who keep their children in the public schools and never collect a dime from the Treasury – but whose children's needs now have to be taken seriously by public school officials no longer insulated or assured of a captive audience.

Much has been made of the fact that most of the enrollment in private elementary and secondary schools is in Catholic parochial schools. Like many other statements about the situation before this bill is passed, it is far from decisive in determining what the situation will be afterwards. The government is constantly overestimating the revenues to be gained from imposing a given tax by assuming that the pre-tax situation will continue unchanged except for the collection of the tax. In the same way, some are now assuming that the social, economic, and religious composition of families with children in private schools will remain unchanged after a subsidy that will put such education within reach of tens of millions of other people. Moreover, not all of the children enrolled in Catholic schools are Catholic. In urban ghettoes, especially, it is not uncommon for many Protestant black families to send their children to Catholic schools, as an escape from ineffective and dangerous public schools. About 10 percent of the ghetto youngsters in Chicago are in parochial schools. In some places, a majority of the enrollees in a Catholic school are non-Catholic. A parochial school can be a social service activity, like a denominational hospital that does not limit its medical care to co-religionists.

The Constitutional Issue

The Constitutional ban on government support for religious

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establishments raises legalistic issues for legislation whose initial impact may be more pronounced on Catholics. The First Amendment, as written, would not prohibit tax rebates for individuals to do with as they please and the G. I. Bill is used at Catholic colleges and universities, but the Supreme Court has sometimes drawn an arbitrary line between higher and pre-college education and made the Constitution more restrictive on the latter. However, the uncertain course of the Supreme Court in this area in recent years and some evidence of at least a pause in the trend toward judicial policymaking under the guise of interpretation leaves reason to hope that extremist extensions of the "separation of church and state" doctrine will not nullify a bill that offers major benefits to all segments of the population. As things stand now, there is no Constitutional limitation on an individual's choice to donate money received from the government — whether as salary, tax refund, or Social Security benefits — to a religious organization. To say that the individual cannot choose to *buy* an educational service from the same religious organizations with money originating from the government seems inconsistent at best.

Another red flag to many is the possible effect of parental choice on racial integration. Visions of "segregation academies" are sometimes invoked (even though the tuition tax rebates cannot be used for any institution practicing racial discrimination). Quite the contrary is the case. In most of the nation's largest urban public school systems, there are not enough whites left to integrate, so any further racial integration in such places may be achievable only by the voluntary movement of black children into private schools. But even this is objected to by some "liberals," because blacks who take this opportunity to get ahead and leave the ghetto public schools would leave behind only the children of "the least educated, least ambitious, and least aware."[3] In other words, black parents who want to make a better future for their children must be stopped and their children held hostage in the public schools until such indefinite time as all other people in the ghetto share their outlook. Ethnic minorities in the past rose out of the slums

3. "Kissing Off the Public Schools," *The New Republic*, March 25, 1978, p. 6.

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layer by layer, but for blacks it must be all or none! This arrogant treatment of millions of other human beings as pawns or guinea pigs would be impossible when parents have individual choice. That is precisely why both the education establishment and the social tinkerers are opposed to it.

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Tuition Tax Credits: Other Benefits

WALTER E. WILLIAMS

"Tuition Tax Credit Proposals," by Professor E. G. West, which appeared in *Policy Review* (Winter, 1978) is an insightful discussion of several important educational problems that could be solved in part by the passage of the Tuition Tax Credit bill sponsored by Senators Packwood and Moynihan. In this note I would like to briefly comment on some other educational issues, not raised by Professor West, upon which the Packwood-Moynihan bill could have a favorable effect.

Diversity in Education

People exhibit different preferences for a host of goods and services produced in the United States, preferences influenced by factors such as culture, religion, education and income. In order to resolve or minimize conflict there must be cooperation without conformity; that is, to the extent possible, there must be a variety of goods and services so that people can choose freely in the manner dictated by their preferences. A large, robust private sector increases the likelihood that there will be cooperation without conformity, through the natural evolution of producers of goods and services who specialize in catering to different tastes. In other words, my purchase of an automobile with a rotary engine does not require that I coerce my neighbors to purchase such an automobile.

A state monopoly in the production of a good or service enhances the potential for conflict, through requiring uniformity; that is, its production requires a *collective* decision on many attributes of the product, and once produced, everybody has to consume the identical product whether he agrees with all the attributes or not. State monopolies in the production of education enhance the potential for conflict by requiring conformity on issues of importance to many people. For example, prayers in school, ethnic history, saluting the flag and educational tracking are highly controversial issues which have received considerable court attention and have resulted in street fighting and heightened racial tensions. With

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a larger non-public education sector and hence more diversity in education, parents who, for example, wanted prayer reading could realize this preference by simply enrolling their child in such a school. They would not be required to either lobby for laws requiring all schools to present prayers or to pay a tariff to opt out of the public school system.[1]

Racial Desegregation

One criticism of the Tuition Tax Credit bill is that it will promote racial homogeneity in our school systems. In fact, for the most part, schools across the country are already racially homogeneous and according to the U.S. Civil Rights Commission they are becoming more so. Contrary to the statements made by its critics, the Tuition Tax Credit may *reverse* this trend not only in education but in other areas of life as well. This result will be achieved through higher quality education in cities which will follow from market competition encouraged through the Tuition Tax Credit. With higher quality education available in cities, middle-class, predominantly white families will have reduced incentives to flee to the suburbs as a way of insuring good education for their children. It is noteworthy to recognize that the flight to suburbia in search of better schooling is becoming less of an exclusively white phenomenon. Blacks are fleeing the cities in unprecedented numbers.[2]

The Tuition Tax Credit bill would create the possibility of school integration in a way that school integration decrees do not — through people *voluntarily* pursuing what they believe to be in their own best interests. The use of the courts to promote racial heterogeneity and cooperation in our school

1. Tariff is an appropriate word here because parents who choose to send their children to non-public schools must pay tuition *plus* continue to pay for public schools. This has disincentive effects similar to international tariffs which protect and preserve relatively inefficient producers from competitive forces.

2. The number of blacks living in suburbs between 1970 and 1974 has increased by 550,000, over 11 percent of the net (4,600,000) migration to the suburbs. See: U.S. Department of Commerce, Bureau of Census, *Current Population Reports*, Series P-23, No. 55, "Social and Economic Characteristics of the Metropolitan and Non-Metropolitan Population: 1970-1974." (Washington, D.C.: U.S. Government Printing Office, 1975), p. 1.

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systems can be called nothing less than a dismal failure.

Enhanced Educational Opportunity for Minorities

Clearer than its impact on school desegregation is the Tuition Tax Credit bill's effect on the quality of education. The fact that a grossly inferior education is received by most black children has been chronicled in the news media, professional publications and elsewhere. Test performance scores show that the great majority of black children are three to five years behind the national norm. These facts make meaningless the argument advanced by the critics of the Tuition Tax Credit, that if it were enacted there would be a ground swell of fly-by-night, poor quality schools which would exploit the poor.

Black parents, educated or not, can discern high and low quality education. This is evidenced by the fact that many black (as well as white) parents have given false addresses so that their children could attend better schools outside of their districts. The recent surge in the number of non-Catholic black parents sending their children to Catholic schools and the increased number of community and Islamic schools in black ghettos all point to the fact that black parents who want higher quality education for their children *and* have the financial resources seize the opportunity to opt out of the public school system. What the Tuition Tax Credit will do is enable more parents, black and white, who are dissatisfied with public education, to obtain a better and more productive life for their children.

Costs

Professor West and others have evaluated the costs of the proposed Tuition Tax Credit in terms of its impact on the federal budget — a particularly narrow view of costs and benefits of the proposed legislation. The social cost of education is the amount of resources that the society gives up. The cost is seriously understated if in our general view we exclude state and local expenditures. This everyone knows. However, the social cost has not so far entered the debate on the Tuition Tax Credit.

Many non-public schools educate youngsters at costs that are only a small fraction of the cost of public schools.

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Many parochial schools charge an annual tuition of $600.00 and there are Islamic and community schools which charge similar tuitions. On the other hand, the per child cost of education in some metropolitan school systems approaches $3,000.00. Old or new mathematics tells us that if we *reduce* the number of children receiving a $3,000 per year, poor quality education and *increase* the number of children receiving a $600.00 higher quality education, the nation as a whole will benefit by reduced educational expenditures and better education.[3]

Therefore, a broader assessment of costs would consider the likely reduction of educational expenditures at the state and local levels which would be the ultimate result of fewer children attending public schools. Tax credits will provide freer choice and as Professor West comments, ". . . insofar as choice promotes competition the result will be education that is more effective and less costly."

The Prospects for Public Schools

The prediction that Tuition Tax Credits would lower the number of children attending public school has given rise to the argument that this tax measure would contribute to the destruction of public schools. This perhaps is the most revealing confession of the opponents of the Packwood-Moynihan bill, who are mostly members of the public education establishment. This position does not differ from one which says that if parents were given freedom of choice many would opt out of the public school system. In other words, the public education establishment is saying that if their state-granted monopoly powers are reduced, the schools run by them will be destroyed.

Destroyed is obviously too strong a word, because many, many public schools are doing an excellent job of educating America's youth. These are schools which satisfy parents and would not be threatened by increased competition. The schools that *would* be threatened by the reduction of monopoly powers are those public schools failing to do a job at least as good as their nearby competitors. These schools, for the most

3. For an important study of "islands" of black academic excellence, see Thomas Sowell, "Patterns of Black Excellence," *The Public Interest* (Spring, 1976), pp. 26-58.

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part, are those in inner cities that produce a product *grossly* inferior to their non-public counterparts. If such schools go out of business (become unattended), such an outcome is consistent with market efficiency and enhanced social welfare: the inefficient producers are weeded out and replaced by efficient producers.

Conclusion

At the heart of the problem in public education is a system of educational delivery which creates a perverse set of incentives for all parties involved. At the core of the perverse incentives is the fact that teachers get paid and receive raises whether or not children can read and write; administrators receive their pay whether or not children can read or write. Children (particularly minority children) receive grade promotions and diplomas whether or not they can read and write.

The individual parent who is poor is helpless in such a setting. It is quite difficult for the individual parent or group of parents to effectively force the public school system to produce a higher quality education. The benefit of the Tuition Tax Credit is that it enhances the possibility for the individual parent to *fire* the school providing poor services and to enroll his child in some other school providing better services. The Packwood-Moynihan bill promises to give low-income parents at least some of the powers that their higher-income counterparts have, namely a greater role in determining educational alternatives for their children.

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The Dilemma of Conservatives in a Populist Society

ROBERT A. NISBET

Before suggesting the nature of the dilemma, it will be useful to make clear what conservatism, as a doctrine or ideology, is. There is currently a good deal of confusion and misinformation on the matter, as articles, surveys, and polls make evident. The only proper approach to the matter is, first, to define conservatism in terms of clearly identifiable ideas and, second, to trace the recent history of these ideas. I shall begin, therefore, with a brief account of the rise of conservatism as a modern ideology, indicating the nature of this ideology, and then deal with conservatism in the American context.

The origins of modern conservatism — philosophical and political — lie in Europe and (as I shall argue here) America at the end of the eighteenth century. These ideas, especially in their European formulation, cannot be understood apart from the French Revolution and, in smaller degree, the Industrial Revolution in England. All of the central tenets of conservatism are direct responses to the varied laws and decrees which issued forth from Revolutionary assemblies between 1790 and 1795 and which, to many minds, threatened the destruction of European society.

The first major conservative work is Burke's *Reflections on the Revolution in France*. Published in 1790, it proved to be, once the full nature and consequences of the Revolution had become visible to all, prescient in its analysis and profound in its understanding of the contexts of both order and freedom in society.

Burke's book was widely read on both sides of the Atlantic, but it was in Europe that it achieved its earliest and widest effect. There is not one of the major writers in the conservative movement during the seminal years, 1790-1825, who does not indicate highest respect for and often explicit indebtedness to Burke. This is just as true of Hegel in Germany as it is of Haller in Switzerland, Bonald in France, Coleridge in England, and Balmes in Spain — to list a few of the principals. If there are three works which may be called the crowning expressions

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of intellectual conservatism during the period, they are Burke's classic, Bonald's *On Authority*, and Hegel's *Philosophy of Right*. It is from them that I draw the constitutive and essential elements of conservatism.

What are these elements? *First*, the indispensability of religion, of a rooted awareness of the sacred. *Second*, the need for family, nuclear and extended, and its autonomy from political regulation. *Third*, the vital role of social rank, of hierarchy in the social order, irrespective of whether such ranking be by birth or achievement through merit. *Fourth*, the crucial importance of property, above all landed property, but property in any form that is private and tangible. *Fifth*, the necessity of intermediate social bodies — churches, guilds, corporations, social classes, and so forth — each valuable in its own right to society, but having the added function of serving as a buffer between the individual and the power of the state. *Sixth*, the importance of local community and region, with maximum autonomy to be granted them by the central or national government. *Seventh*, the value of tradition in contrast to prescriptive law or administrative decree in the workings of a society. *Eighth*, the indispensability of the highest possible degree of decentralization and diffusion of political power.

Naturally, I do not suggest that only complete fidelity to each of the eight elements constitutes the mind of a conservative or that all are of equal importance. Separation of society from political state, that is, preservation of autonomy of society and its groups, along with the economy, from what Burke called "arbitrary power" in the state is without question the major theme that runs through all of the elements listed. Nor would I claim that conservatism does not occasionally overlap with liberalism, even radicalism in actual practice. There are elements of all three ideologies in Tocqueville, though conservatism dominates. The radical Proudhon was sufficiently impressed by his reading of the early conservatives, especially, Bonald, to stress the local community, patriarchal family, and decentralization of government.

Nevertheless, there are clear differences of principle. Whereas liberalism, classical and collectivist alike, Smithian or Galbraithian, tends to focus on *individuals* and their direct relationships with the government, conservatism begins with the *social contexts* of human beings — family, religion, association, and so

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forth — seeing in these contexts the necessary protections from governmental power. Unlike liberalism, conservatism gives stress to *social authority*, recognizing that apart from the checks supplied upon the moral and social lives of individuals, any genuine political freedom is impossible. The increasingly collectivist character of liberalism during the past century could have been predicted by any conservative, indeed was, in effect, by Burke. For, dealing with the discrete, atomized individual as classical liberalism did, and ignoring the importance of social groups and associations, it was inevitable that the liberal would in time have only the state to turn to, to meet the social problems arising from industrialism and mass democracy. It is conservatism's unvarying stress upon legitimate hierarchy in society and decentralization of government that sharply distinguishes it from the radicalism that reaches from Jacobinism to twentieth century communism. It is in radical thought that egalitarianism and centralization of power reach their apogee in the West.

Is There an American Conservatism?

So much for European conservatism. We must now ask, is there and has there been an analogous vein of political and social thought in America? It is common for historians to answer in the negative. America, it is said, tended to be "liberal" from the beginning, never really conservative. The kinds of traditions and contexts existing in Europe, products of feudalism, did not, could not, exist in America which had no feudal past and was founded indeed by people who, in leaving Europe for the New World, were escaping not only feudalism but the kinds of authority which composed European society. Just as Americans, beginning with the Founding Fathers, were middle class, with no aristocracy to dominate, so were they necessarily liberal, devoted to individual freedom and equality. So this argument goes.

It is a plausible and, as I have said, conventional account of American history. But I find it largely erroneous. Liberals we have had in abundance: classical and welfare liberals. There is no question of that. So too has there been from the beginning something of a radical tradition, one that became ever stronger in the late nineteenth and early twentieth centuries. But it is totally wrong to suppose that nothing in the way

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of a conservative tradition existed, one in the image and likeness of the European conservatism I described above, the one that began with Burke. From the time of John Adams and John Randolph, through such minds as James Fenimore Cooper and John C. Calhoun, on down further through such turn-of-the-century minds as Henry Adams, Josiah Royce, and A. Lawrence Lowell, right to the present-day self-styled conservative and neo-conservative, there is an authentic and profound vein of conservatism in the American mind.

We may grant that differences of emphasis and intensity exist between the European and the American traditions of conservative thought. It is, however, what they have in common that is much more important. In both we find clear stress upon the values of kinship, the sacred, localism, and social hierarchy, a stress that is not often if ever seen in either liberal or radical thought, in America or in Europe. There is also common devotion to tradition, in contrast to prescriptive law and administrative decree, again a devotion that we do not find in liberal, much less radical thought. Finally, there is striking likeness between American and European conservative emphasis upon pluralism, multiplicity of authorities in society, division of power, and decentralization of administration, with maximum use to be made of the associations which lie intermediate to individual and state.

Whether it is John Adams defending, against the attack of Turgot, the constitutions which had developed gradually in the colonies, or Hamilton, Madison, and Jay, arguing the cause of the Federal Constitution in *The Federalist*, John C. Calhoun setting forth his principle of the concurrent majority, with all its implications to localism, regionalism, and decentralization, or A. Lawrence Lowell distinguishing sharply between true public opinion and what is mere popular or mass sentiment, we have a line of thinkers every bit as continuous and distinct as any to be found in England. There is, finally, the very character of the American Constitution. It is conservative to the core in its regard for separation of powers in the national government (a vital principle that nearly all European liberals of the time dissented from), its strict limitation upon powers granted the national government, and its strongly regionalist-localist emphasis upon the component states. How strongly the Founding Fathers believed in the sanctity of social order

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and economy, in freedom of property, and in religion and family, may be seen in *The Federalist* and works by others active in the formation of the American nation. By every test, the key figures were conservative. There is nothing to suggest that the liberalism of the late eighteenth and early nineteenth century, the liberalism of Turgot, Voltaire, Richard Price, Jeremy Bentham and James Mill, would or could have produced a document like the American Constitution. Certainly, today's liberalism wouldn't!

The Nature of 'Neo-Conservatism'

Let us turn now to the present. What we call, in the writings of intellectuals today, conservatism or neo-conservatism is in a direct line with the conservatism I have just described. It requires little learning or power of analysis to see the strong influence in this writing of Burke, Madison, Tocqueville, and others. Why are we undergoing right now a renascence of conservatism among American intellectuals? Chiefly, I would argue, because of the spectacle of disaster after disaster in the welfare state, each the result, it could be said, of putting into practice ideas so long hailed as liberal and progressive by most intellectuals in this country.

The important point, though, is not how the change of mind occurred but the fact that it *did* occur, and that it was almost immediately followed by either new magazines and reviews or else substantial alteration of perspectives in some of the older ones, the results of which are by now a matter of historical record. In many ways, I think the most influential contributions made to the advancement of conservative values and ideals during the past decade have come from those once-liberal or once-socialist by conviction but now too deeply affected by the sight of violations of freedom and justice springing directly from the welfare state. No one, I think, would argue against the statement that, whether one likes it or not, the greatest single change in the intellectual mind since at least the 1920s has been the move toward a conservative or neo-conservative position by some of America's most renowned social scientists, journalists, and others in the intellectual class.

What, we must now ask, is the effect, if any, on the American people at large? As I write (January, 1978) a new study has

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just emerged from the University of Michigan's Center for Political Studies with the information that the percentage of Americans who are liberal is three times as great as that of Americans identifiable as conservative. Moreover, the study tells us, this ratio has not changed significantly since the days of the New Deal. In sum, despite the reputed turning of American political opinion to the right, the evidence indicates the contrary.

One would have to see the specific questions asked, the criteria used in judging one response liberal, another conservative, and the methodology employed in the Michigan study to be certain that its conclusion are sound. I am personally skeptical of the conclusions. There are simply too many evidences of disillusionment with governmental practices which began with the New Deal and have continued in almost unbroken fashion down to the present.

Still, I would not discount the study's conclusions entirely. There are a great many Americans who, although willing to identify themselves (as in a recent poll) right of center — a larger number than of those who described themselves as left of center — are nevertheless unwavering in support of this or that piece of Federal welfare, to schools, day care centers, health insurance, care of the old aged, and so on. That each of these carries with it centralization and bureaucratization, these selfsame respondents declare themselves opposed to seems not to matter.

This contradiction underscores the conservative's dilemma. It is not unlike that contradiction regarding values on racial matters that Gunnar Myrdal described as *An American Dilemma*: on the one hand, genuine belief in a set of abstract, national ideals and values; on the other hand, acceptance of, even strong support of, practices which fly in the face of those very ideals and values. It is hard to question the sincerity of those who write and speak, at whatever level of influence, in opposition to increasing centralization of national power and bureaucratization of life. Yet the number of those Americans who, on the record, are in hearty support of entitlements and supports of one or another kind from the Federal government is large enough to include a great many of these opponents of bureaucracy and centralization.

It may be said that in certain respects at least, a coherent

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political right may be seen forming: on matters of abortion, gay rights, lesbianism, drugs, and right now, the Panama Canal treaties proposed by President Carter. I don't agree. In the first place I would not want to try to prove just what a "conservative" as opposed to "radical" view is on each of these matters. Without wishing to seem doctrinaire, I am obliged to stress very hard those fundamental elements of historical conservatism which I listed at the beginning of this chapter. These, not given attitudes on homosexuals or some proposed treaty, are the substance of any recognizable conservatism. And these are precisely the elements which lead to conservative dilemma.

The Values of American Conservatism

For, as is obvious enough, those holding to these elements of thought and morality, or to many of them, especially those stressing the autonomy of society and economy from the political state, are in a position made extremely difficult by the events and changes of the last half-century in this country, particularly those beginning with the New Deal. On the clear record, intellectuals today identifying themselves or identified as conservative or neo-conservative believe, just as Burke, Madison, Calhoun, and Lowell believed, that there has been altogether too much centralization of administration and too little recognition of the rights and needs of families, churches, and local communities. Contemporary conservatives, like their predecessors, also place a higher value upon private property, the free market, and production for profit than do liberals and radicals, past and present. A substantial segment of the American people also appears to believe along these lines, thus calling themselves "conservative" or "right of center."

But, alas for conservative values, a very large majority of Americans, including those in the business class, behave differently from what might be inferred from expressed creed. George Will has noted that there are *twenty-two hundred* trade associations based in Washington, D.C. Granted that in many instances their offices are seeking to protect a given business interest's freedom, but in a great many more, the objective is, as the phrase has it, getting a piece of power. No matter how often corporate executives or their public relations representatives may speak on the virtues of the private sector, individual or associative self-help, competition,

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and so on, the clear fact is, no major corporation in America is without interest in *getting* political power, not simply being shielded from it. Such is our degree of politicization!

But let us not lay the cudgel on business alone. The same rush to Washington, D.C. for handouts or participation in the power structure is to be seen elsewhere: in the universities and schools; in the churches — eager for some new tax exemption or to promote some new welfare reform; in the labor unions; in just about every sector indeed of American society. The family is important: there must, therefore, be a plethora of Federal laws and agencies protecting women and children. The local community is important: there must, therefore, be a vast community redevelopment act passed by Congress and an appropriate bureau established. So it goes. Given present currents, one has the sense that if the move toward decentralization and localism did become major, it would culminate in some new Federal Bureau or Department, doubtless titled "Department of Decentralization and Localism." But I am being cynical. The dilemma of the conservative is, however, a very real one. The great question that must be faced and answered by conservatives is that of the relevance in our time of such values as the family, neighborhood, locality, religion, social rank, voluntary association, and, alone making these possible, limited political government.

It is so easy to caricature such values, to declare them mere survivals of the past, as out of touch with anything vital and important institutionally as, say, Hallowe'en festivals. Radical and liberal intellectuals are prone, and have been since the French Enlightenment, to see history as a single, unified process, one with movement toward ever-new goals and objectives. How simple, given this belief in history as directional, to differentiate socially, economically, and politically between the "realistic" and "progressive" on the one hand and, on the other, the "archaic" or "utopian." This is or has been the strength of modern day liberalism. Its great governmental enterprises, reaching all areas of human life, its declared mission of central planning for all, and its multifold schemes designed to effect redistribution of wealth and social egalitarianism, all surmounted by the ideal of the Welfare State, can so easily be declared not simply worthy in themselves, but *necessary*; that is, the inevitable outcome

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of history, of the path of human progress.

This, in sum, is the real dilemma of the conservative in our populist society: how to make the essential values of conservatism, those which form a continuing line in Western thought from Burke to our contemporary neo-conservatives, seem important to Americans; important enough to live by. Everyone, I assume, apart from a few militant women's liberationists and homosexuals, is "in favor of" marriage, family, and their embedded ideals. The same holds true, undoubtedly, with respect to voluntary association and neighborhood. Similarly, there can't be many Americans passionately opposed to religion. And the evidence suggests that most of us accept, even like, some degree of inequality in society, some kind of hierarchy, especially that based upon visible achievement. And, as we know from the polls, a rising number of Americans express disillusionment with and distrust of big, centralized, bureaucratized Federal government.

But what we would like to know is the *degree of intensity* of such beliefs; that is, as compared with the degree of intensity of belief we find among those for whom the centralized welfare state, reaching all areas of life, is the ideal. Frankly, I am not certain. It will require the rest of this century, no doubt, to produce any distinct and reliable answer to the question. But, alas, one thing is clear. Given the number of Americans who, whatever their professed principles, are nevertheless in chronic quest of Federal contributions to family, school, day care center, to the unemployed, the ailing, and the old aged, irrespective of the often-mammoth bureaucracies which are or will be associated with these contributions and the invasions of personal privacy which must necessarily go with the bureaucracies, it is hard for any genuine conservative or neo-conservative to be very optimistic.

A Shift to the Right Among Scholars

Still, there are, I believe, some signs to offer hope. Certainly, as I shall explain, there are splendid *grounds* for hope, if they are but occupied and built upon.

First, there is no mistaking at the present time the genuineness among large elements of the public and, in rising degree, among intellectuals of disillusion with national centralization and federal interference in family and

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community existence. We have come a long way indeed from the temper that was so pervasive by the end of 1930s, as the result of the New Deal, and that flourished during and after World War I. No matter how powerful the welfare state is or how clamant the voices of its defenders, this type of state and the liberals who have created it are clearly much more on the defensive, are much more sensitive to attacks on their bureaucratic centralization of power than has ever before been the case in American life. We can take some pleasure in the difference between the status of the welfare liberal today and what it was as late as 1960.

But it is never enough for a movement or party to be simply against things. There must be concrete, demonstrable things that it is *for*. There must be some degree of congruence between what is espoused and what is actually manifest in terms of human behavior. Although any extravagance of optimism is certainly out of place, there are nevertheless certain tendencies now apparent in American society which could hardly have been foreseen and predicted right after World War II. Each of them is clearly relevant to conservatism as I have described it in this chapter, as opposed to welfare state liberalism.

There is the renewed respect for the sacred in the writings of intellectuals, or a good many of them, a willingness to see religion as something necessary to any culture and also unlikely to be replaced by science and pure reason, as was so commonly thought a half-century ago by very secular-minded intellectuals. And, accompanying this is the remarkable upsurge in popular consciousness that religion is currently enjoying, especially those religions of a fundamentalist character whose members tend to be socially and politically conservative. In this respect America is a quite different place from what it was a quarter of a century ago.

Nor can we fail to see the renewed importance of localism in American life, of loyalty to neighborhood, of activities designed to strengthen local ties. The outrages of Affirmative Action have had much to do with this, but the roots are still real. So too has the family, nuclear and extended, come in for unwanted attention. All of a sudden we are becoming aware of the degree to which federal intervention in areas of education, child welfare, health, and delinquency has not only

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failed abysmally but, far worse, has weakened the structure and importance of the family. I daresay divorce rates will continue to rise, the vogue of "singles" will continue for some time, but none of this is incompatible with the increased strength of the family during the years ahead. As a symbol, the family will once again become positive rather than negative. The Family Assistance Plan that failed adoption a few years ago in Congress – chiefly as the result of liberal hostility to anything that might reduce bureaucratic interventionism – will probably not be revived, but there is not the slightest question in my mind that substitutes, also with the family, rather than the social work agency, as the center, will come into being.

Along with the rejuvenation of neighborhoods, especially those of the large cities, it is possible to foresee a substantial increase in social initiative, through voluntary, cooperative association, in a host of realms. Now, as a result of a vast number of licensing laws (designed to protect intellectual and reformist special interests), it is difficult for such private, cooperative initiative to become active. But the pressure to this end is there. The stupidities and sterilities, above all the implicit tyranny, of government-dominated schools, day-care centers, and a myriad of other enterprises, have become impressed upon the public mind at all levels. Freedom of choice, in education and welfare, as well as in religion and economy, is clearly becoming a value in the American mind. Everything associated with Affirmative Action (taking that in its largest sense) has become so offensive to tens of millions of Americans, black and brown as well as white, with its reminders of fatuous busing in the name of quotas or goals and of identically shaped lockers for boys and girls in the schools – to limit myself to but two noisome examples – that it is hard to see this arithmetically-implemented form of despotism surviving very much longer.

Finally, I foresee a new prestige attaching to private property, private wealth, and, most to be desired, the whole private sector in the economy. Here too conservatives are beneficiaries of history. No status was lower in intellectual eyes during the '30s and through the '60s than that of the businessman, seeker of private profit. But "bureaucrat" is today a far more derogatory word and I see nothing likely

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to affect this.

Is the Corporation a Conservative Institution?

In the America that was largely governed by conservative values, the America that lasted down to the Civil War, it was the farm or the small business that was the foundation stone for these values. We cannot revive the historic significance of either of these – though we err when we dismiss them in our thinking – but I see no reason why the corporation should not serve a similar role in the years and decades ahead. Such a notion will invite derision from liberals and create some discomfort even among some of our neo-conservatives, but not as much derision and discomfort as would have been the case before federal government, with its record by now of corruption, mismanagement, violation of freedom, and progressive deterioration of popular confidence, became the Leviathan it is.

The essential point is this: If conservatism is to be more than a gadfly or simple ideology, if it is to achieve the kind of influence in America that liberalism did in the twentieth century, it must have a highly visible and significant institutional base from which to mount a campaign for the essential values of conservatism. For the liberal, the federal government is, of course, such a base. As I say, we are beyond the America of the corporation, and I see no other possible institutional base for the conservative today; that is, if he is to really confront and perhaps vanquish welfare liberalism.

To be sure, the heads of the great corporations must themselves accept more widely than they now do the values of conservatism. Strange though it may seem, the Galbraithian image of the welfare state has its worshippers high in corporate ranks. But the corporation is a far different type of enterprise from what it was in the 1930s. It is making plain, in a growing number of instances, that it can and will, on its own, sponsor important work in education, research, the arts, and other areas of American culture once left strictly alone by American business enterprise. I wish we could see the American corporation assuming some of the functions which have been taken for granted from the beginning by Japanese business enterprises, including the very large ones. There is a far closer relation between Japanese business and those entitites – family,

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neighborhood, local community, and others — which underlie conservative values. No conservatism, no social philosophy whatever, can become important and constructive unless it too takes, as liberalism has, the ethic of *responsibility* seriously. And this carries and must carry a great deal of implication to the corporation.

Recent Optimistic Trends

There is room for optimism. The Committee for Economic Development, the most influential of all business-based groups in this country, has just released a report that could become historic.* It is virtually built around the concept or ethic of responsibility — in aid for the unemployed; in the spheres of health, education, housing, urban development and rehabilitation; in voluntary welfare plans and ethnic relations, the last already impressively manifest in Chicago United, a consortium involving not only large corporations in that city but also Black and Hispanic business enterprises. The report concedes, as anyone must, that there is, and will continue to be, a legitimate place for government, national as well as state and local, but it points to the great importance of what it calls "intermediaries" as links between the business world and government.

The central task of any successful conservatism in America must, therefore, be that of working with, and at the same time educating to the degree needed, the owners and managers of our large corporations. The rest of industry and the professions can probably be relied upon to follow suit. But the overriding objective must be that of instilling into the whole private sector *a stronger sense of responsibility to society at large* than so much of the history of the American large business enterprise actually reveals. Had more of this responsibility been present and operative in the early 1930s in America, it is unlikely that the New Deal and the beginnings of the welfare state would have had anything like the success they enjoyed and continue to enjoy. The great strength of the liberal has been that of being able to point to the welfare state as the sole means of responsibility for the needy. But the welfare state is in considerable disgrace right now, as is welfare liberal-

* See *The New York Times*, January 12, 1978.

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ism. The great strength of a genuine national conservatism can only come about when it can operate from the private sector as liberalism has from the public; that is, a free and competitive private sector!

The long-run objective of the conservative in America would appear to be that of increasing practical liberty and of multiplying choice in human life, *real* choices, in work, education, recreation, family life, and the other spheres within which human beings actually live their lives. Liberals, classical and welfare, have always tended to ignore the groups and processes necessary to the existence of choice. For the liberal mentality, society is composed of discrete individuals who may be depended upon to live in harmony through processes of competition and division of labor, as the classical liberal argued, or who must be shepherded by the welfare state, given custodianship for their own good irrespective of how they may feel about it, as our contemporary welfare liberals argue. For the radical mentality it is not a matter of *ignoring* social groups and associations and the right of individual choices; it is a matter of *exterminating* them all, in the name of socialism, communism, equality, or whatever.

Like it or not, therefore, we have reached the point in our history where only conservatives and neo-conservatives maintain clear dedication to the values which are essential to a genuinely free society. No one can predict even the near-future. Perhaps contemporary conservatism will have disappeared altogether by 1984. But I do not see how a reasonably free society can exist if those values, structures, and processes which conservatives are alone today in stressing have disappeared also.

EDITOR'S NOTE: The above article will be published as a chapter in the forthcoming book, *Emerging Coalitions in American Politics*. It is published here for the first time with the permission of the Institute for Contemporary Studies, Suite 811, 260 California Street, San Francisco, California, 94111.

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On the Threat of Growing Government to the Preservation of Human Freedom

A TIME FOR TRUTH. *By William E. Simon.* (Reader's Digest Press, McGraw-Hill Book Company, New York, Chicago, 1978.)

Not many books, certainly not many books about economics, can be said to be genuinely exciting, but William Simon, Deputy Secretary and then Secretary of the Treasury in the Nixon/Ford Administrations, for a time simultaneously the federal Energy Czar, and the principal figure on the Ford Administration side in seeking ways to cope with New York City's fiscal crisis, has written just such a book. It will commend itself at once to the large number of thoughtful people who know something is basically wrong with what is going on in federal, state and local government in this country – in particular in the administration of programs to aid the poor and in the increasingly complicated, intrusive and expensive regulation of business and many nonprofit institutions by government – but see little in what is printed or said on the subject that adequately expresses what they suspect and fear is the truth. But the substance and nature of the book can be conveyed best by a listing of those who will be deeply irritated, even angered, by it. The chapter on New York City's fiscal crisis is a stunning piece that no one interested in this or like affairs should miss.

At the top of this list will be the liberal establishment, except those in it who are beginning to wonder about the underpinnings of their faith, as they feel the pinch of budgetary restraints they never really understood and see cherished programs for solving social problems proving to be unbelievably costly and grieviously disappointing in results achieved. What Simon attacks in the liberal faith is its basic premise: that what is wrong in our world is our economic system – call it free enterprise, the free market, the price system, capitalism, or just "things as they are" – and that what is needed is more and deeper government involvement, more constraints on private action, a widening of the public sector, and that this can be pushed on with no danger to individual liberty or to political freedom. In a head-on collision with this view, Simon argues that political and economic freedoms are interlocked, that the

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erosion of economic freedom by counterproductive and often punitive government regulation will ultimately destroy political liberty, that we have already gone a long way down that path, and that we must do something about it before it is too late.

At a more specific and inevitably more sensitive level, Mr. Simon makes a point that legions of social scientists will either deny vehemently, as most of them will, or have to admit they have not understood, as most of them have not. His point is that the welfare state is only to a minor extent an aid to the poor. More importantly, according to him, it is a vast system to serve the special middle-class constituencies of elected public officials – growing armies of public employees (active and retired) and non-poor beneficiaries of programs commonly understood (and always defended) as designed and operated exclusively for the poor.

It must be reported that the book will be unpleasant reading for a number of prominent individuals, most of them still on the scene. Included are some of Mr. Simon's former colleagues in the White House, several members of Congress, leading figures on the New York political stage, a number of widely-read journalists, and some of the best known persons in the New York financial community. Names are named and, as the case may be, the author's view of their posturing, shilly-shallying, or news distortion is stated with total frankness in what has to be one of the most fascinating and fast-moving accounts of politics, government, and high finance that has been written in a long, long time.

It is a high-key not a low-key book, which will appeal to some and annoy others, and there are places where the treatment is less studied than most professionals will like. But it is a conscientiously researched book and in any case will stir things up constructively where things need to be stirred up.

I commend it to the business community. I commend it to the working press, in particular to editorialists and commentators. And I commend it to teachers of political science and economics, undergraduate and graduate; indeed, any student in these areas of study not exposed to this book has been shortchanged or has shortchanged himself. Last of all I commend it to the liberal establishment, where it will be found hard to take but where there are signs that some are beginning to see that their accustomed approaches to welfare

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problems are not working, that there must be a better way to get at them, and that some of the things conservatives have been saying all these years are, alas, all too true.

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A Critical Analysis of the Defense Budget

ARMS, MEN, AND MILITARY BUDGETS: ISSUES FOR FISCAL YEAR 1979. *By Francis Hoeber, David Kassing, William Schneider, Jr. (editors and coauthors).* (Crane, Russak and Co., New York, 1978.)

A number of recent decisions with possibly profound implications for American military strategy (most notably, the decision not to enter into production of the B-1 bomber) have focused attention on the entire issue of American national defense, its implications for the American alliance system, and its sufficiency in deterring general nuclear war. *Arms, Men, and Military Budgets*, third in an annual series of essays on various aspects of the American defense budget, is a valuable contribution to the literature that elucidates the issues.

There is no doubt that the contributors to this year's study are in sharp disagreement with the present Administration's defense planning. A few examples describe this.

Recent Administration decisions combined with Soviet developments over the past few years appear to be generating a relative increase in Soviet strength (and a consequent relative decline in American strength). In addition, in certain areas there has been an actual decrease in American assets. Should current trends continue, the Soviets may be able to establish strategic superiority over the United States by the mid-1980s.

The areas of shifting strength are in both strategic and general purpose forces. Of strategic assets, the United States has basically maintained the force that was established under the terms of the first Strategic Arms Limitation Talks (SALT I) Agreement. However, the United States has not fostered technological developments that are permitted within the constraints of the SALT I (and related) agreements.

The most significant example was the mid-1977 decision not to enter into production of the B-1 bomber. The Administration reasoned that the cruise missile (basically a small unmanned supersonic jet aircraft) was a better enemy airspace penetrator — the cruise missile to be launched from the aging fleet of B-52s. However, Francis Hoeber, the contributor to the segment of this book dealing with strategic arms, notes that "It was, indeed, the projected growth of the Soviet air defenses and their increased threat to the aging and obsolescent

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B-52 that played a large role in the U.S. decision to develop the B-1 penetrating bomber. In announcing the cancellation of the B-1, the President indicated his confidence that the cruise missile would be a cheaper and higher-confidence means of penetrating Soviet airspace." Hoeber is much less confident than the Administration. Range and payload limitations are such that it may become unlikely by the mid-1980s that such missiles could penetrate the Soviet Union's air defenses in sufficient numbers to seriously damage Soviet economic and military assets.

Likewise, the Administration appears to be conceding a considerable advantage to the Soviets in the area of conventional arms. This is becoming increasingly the case in the Navy. In large part, the Navy's conventional offensive capabilities rest in the aircraft carrier force. In ten years, this force has declined from 23 ships to 13 ships. There appears to be little likelihood that this force will be significantly increased if current trends continue. Mr. Kassing, in fairness, notes that many of the newer ships far outstrip the retiring ones in military capability. However, he implies that there simply are not enough of them to perform the variety of missions (sea control, interdiction, amphibious assault, to name just a few) required of the United States Navy.

Dr. Schneider, in his analysis of the Army and Air Force general purpose forces, notes that "for nearly a century, our forces have been designed to fight expeditionary wars in defense of American and allied interests abroad rather than wars of territorial defense at home, as is normally the case for an 'island' power." With this as a starting point, Schneider examines the threat facing the North Atlantic Alliance. He points out that the Soviets have increased their advantage over the NATO forces in tanks by 30 percent in the past few years. In addition, they have significantly increased the effectiveness of their forces. This is a distinctly unpleasant development in the light of the inability (or unwillingness) of the allies to significantly "beef up" defensive forces.

Arms, Men, and Military Budgets is not pleasant reading. It is, however, informative. This reference work is a most authoritative source for an informed discussion of the key issues in formulating the annual defense budget. In that it analyzes the controversies involved it must be regarded as even

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more useful to the defense specialist than *The Military Balance*, also published on an annual basis by the International Institute for Strategic Studies. If the authors are justified in their analyses and if substantial corrective actions are not pursued the United States and the democracies of Europe may face some grim days in the coming decade.

Edmund J. Gannon

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Four New Studies of Social Security

THE CRISIS IN SOCIAL SECURITY: PROBLEMS AND PROSPECTS. *Edited by Michael J. Boskin.* (Institute for Contemporary Studies, San Francisco, 1977.)

SAVING SOCIAL SECURITY. *By Robert L. Schuettinger.* (Council on American Affairs, Washington, D.C., 1977.)

THE FUTURE OF SOCIAL SECURITY. *By Alicia H. Munnell.* (The Brookings Institution, Washington, D.C., 1977.)

ESSAYS ON SOCIAL SECURITY. *By J. Douglas Brown.* (Industrial Relations Section, Princeton University, Princeton, N.J., 1977.)

Calendar 1977 was an eventful year for Social Security: it saw, in the closing months, the enactment of major legislation restoring the solvency of the OASDI Trust Fund well into the next century and it witnessed the publication of four very timely books on the subject of Social Security, its program characteristics, and its troubled financial history. These four volumes, varying in length and complexity, offer the student of Social Security a useful cross-section of contemporary thinking on the nature of the overall problems and the character of suggested solutions.

The first of these, *The Crisis in Social Security*, consists of essays by thirteen respected experts, ranging from Martin Feldstein and Richard Zeckhauser of Harvard to Rita Ricardo Campbell at the Hoover Institution, Stanford University. Analyses by Milton Friedman and Joseph Pechman (The Brookings Institution) follow one another. Edward Cowan, Washington-based correspondent with *The New York Times*, describing the background and history of Social Security, provides the best summary statement: "The Social Security crisis . . . is an amalgam of fiscal or actuarial problems and equity issues about taking and giving, all overlaid with acute political sensitivity." The fact that the intensive interest in Social Security continues into 1978, notwithstanding the fact, as well, that the Congress engaged in a very laudatory exercise in bullet-biting in December of 1977, underscores Cowan's words.

Feldstein, in the ICS volume, stresses one of his principal themes, namely that the present pay-as-you-go of Social Security has a disastrous effect upon private capital accumula-

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tion. (This is echoed by Sherwin Rosen, Professor of Economics at the University of Rochester, and by editor Boskin, but, not surprisingly, disputed by Pechman.) Feldstein details how, because Social Security taxes are used to pay concurrent benefits, the overall national capital stock is significantly smaller and national income commensurately less than it would otherwise be. Somewhat disappointingly, he does not develop his theme into detailed proposals for change, although these may be found in his earlier work ("Toward a Reform of Social Security," *The Public Interest*, Summer, 1975 and "The Social Security Fund and National Capital Accumulation," *Funding Pensions: The Issues and Implications for Financial Markets*, 1977).

Others of the thirteen authors present alternative views of some of the variables and causes of the problems surrounding Social Security. Campbell writes of the difficulties caused by the fundamental competition of the concepts of equity and social adequacy. Donald Parsons, of Ohio State University, and Douglas Munro, of the University of Alabama, co-author an essay on intergenerational transfers in Social Security. Carl Patton of the University of Illinois takes a very penetrating look at the politics of Social Security, although some of his conclusions are, in this reviewer's judgment, doubtful. Patton writes ". . . anyone *really* concerned about costs would insist on transferring Social Security to the general fund, where taxes are perceived for what they are: actual costs. . . ." The outcry (if, indeed, there has been an outcry) occurring since the enactment of the December 1977 amendments, however, has been due solely to the fact that the taxes are discernible and they are discernible solely because they are part of trust fund programs.

A valuable supplement to the ICS work is Robert Schuettinger's *Saving Social Security*. Because Cowan's introduction to the ICS book necessarily is short, and because the reader may be looking for historical basics before plunging into the technicalities of some of the other works, Schuettinger's concise and highly readable analysis of the history of Social Security is very helpful. He builds upon his review to suggest, clearly and forcefully, those factors needed to be remedied to restore Social Security to fiscal soundness. The fact that this largely has occurred as a result of the December 1977

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amendments does not detract from the relevance of his examination of the issue; the variables he examines are still the variables involved in any assessment of financing alternatives.

Alicia Munnell's book is a wide-ranging look at the role of Social Security, the benefit structure, and various financing considerations. She presents one of the best studies of the impact of changing economic, social, and demographic trends upon Social Security and, conversely, the degree to which Social Security affects retirement behavior. She appears to agree with Feldstein in his concern about the deleterious effect of the current financing system upon savings and capital accumulation, but concludes in an open-ended fashion that ". . . only those who believe that the federal tax system should be made more regressive would approve of using the payroll tax to increase the national savings rate."

J. Douglas Brown, a member of the small group that developed Social Security's original principles in the mid-1930's and of four succeeding Advisory Councils, has included nine segments in his *Essays on Social Security*, which include several interesting perspectives. He disputes Feldstein's thesis on the adverse effect of Social Security on capital accumulation, saying that the introduction of the old-age insurance program stimulated the desire for greater security and hence the growth of private pension plans; he strongly opposes a negative income tax, arguing that it ignores individual human needs and is not sufficiently responsive to changes in those needs; and he calls for the Social Security Administration to become, once again, an independent agency. The last recommendation, by the way, is made notwithstanding his praise of ". . . the great traditions of wise and effective planning and operation developed over forty years by the dedicated leaders and staff of the Social Security Administration," and of his observation that "[the] wisdom of a long series of Congresses in dealing with Social Security legislation sustains one's faith in democratic government."

As the Congress again prepares to address the issue of Social Security financing, these four books are of significant assistance in dealing with the issues at hand and would be worth the attention of anyone following the current debate on the future of the 1977 legislation and of Social Security as a whole.

David B. Swoap

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Nicaragua Under Scrutiny

NICARAGUA – AN ALLY UNDER SIEGE. *Edited by Belden Bell.* (Council on American Affairs, Washington, D.C., 1978.)

This small central American country has been much in the news in recent months and there has been considerable debate in American policymaking circles over what the United States diplomatic position ought to be toward a nation which has been a strong ally of the United States but which has been criticized by many for a lack of democratic procedures. In particular, the methods used by the government of President Somoza in fighting the insurgents trying to overthrow that government have been the subject of criticism by devotees of the "human rights" policy proclaimed by President Carter.

Belden Bell, a former candidate for Congress in Indiana and now deputy director of the Republican Study Committee in the U.S. House of Representatives recently visited Nicaragua, talked to many people there from all points of view, and has edited a timely and useful anthology written by specialists in various fields.

The authors reflect diverse points of view and conclusions; they detail the allegations made against the Somoza government and some authors agree with some of the criticisms and refute others. On the whole it is a balanced and objective approach. Jeffrey St. John, columnist and radio commentator, was in the country during one of the worst disturbances; he carefully analyzes the background and activities of the various opposition groups, both violent and non-violent. Dr. William Schneider discusses the economic development of the country and examines the distribution of wealth. The concluding chapter was written by Senator Carl T. Curtis, who reiterates his long-standing opposition to foreign aid; he stresses, however that if we are to give foreign aid, it should be to our allies and not to nations who oppose us at every opportunity. This is a well-edited and well-documented study of current conditions in Nicaragua; it ought to be read by all concerned with U.S.-Latin American relations and with the implications of our present foreign aid and "human rights" policies.

R. L. S.

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Freedom Defended

IN DEFENSE OF FREEDOM. *Edited by Kenneth W. Watkins.* (Cassell and Co., London, 1978.)

Dr. Kenneth W. Watkins, Senior Lecturer in Political Theory and Institutions at the University in Sheffield, England, has assembled a distinguished group of Britons still strongly dedicated to the cause of national and individual freedom. Lord De L'Isle, a former Governor General of Australia, discusses the need for a Bill of Rights as part of the British Constitution; a veteran journalist and author, Russell Lewis, tells of the current threat to freedom on Fleet Street; and Professor Antony Flew contributes a scholarly essay on the philosophy of freedom. Other contributors include: Lady Morrison of Lambeth, Dr. Stephen Haseler, Robert Moss and Winston S. Churchill, II, M.P.

Although primarily concerned with the British scene, the lessons of this book apply equally to all democracies; it would be good if an American publisher were to make this thoughtful book available on a wider basis to an American audience.

R. L. S.

The Future of Nuclear Power

CLOSING THE NUCLEAR OPTION: SCENARIOS FOR SOCIETAL CHANGE. *By Milton R. Copulos.* (The Heritage Foundation, Washington, D.C., 1978.)

Much of the debate over energy policy has focused on conflicts between developing adequate supplies and concerns expressed by environmental groups. This conflict has been particularly evident with regard to nuclear-fired electric power generation stations. Groups such as the Natural Resources

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Defense Council have set as their ultimate goal the complete abandonment of the atom. Now, for the first time, there has been a careful analysis of what this would mean for society.

In this new study, *Closing the Nuclear Option: Scenarios for Societal Change*, four scenarios are drafted, ranging from an energy future in which nuclear power is completely abandoned to one where it exists but coal production fails to achieve the overly optimistic production targets of the Carter Administration.

What is most significant about this work is that it focuses on an often overlooked issue: that blacks, women, the young, and other recently upwardly mobile elements in society are the ones who stand to lose the most from a non-nuclear future. It is a point worth pondering and repeating.

R. L. S.

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WILLIAM SCHNEIDER, JR. is a professional staff member of the U.S. Congress and Research Fellow of the Hudson Institute. A member of the International Institute for Strategic Studies, he is the co-editor of the newly published *Arms, Men and Military Budgets*, and co-author of five other books.

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ERNEST VAN DEN HAAG is Visiting Professor of Criminology in the Law School of the State University of New York at Albany. Besides contributing to *Ethics, Encounter, The American Scholar, Commentary* and many other journals, he is the author of *Punishing Criminals, Political Violence and Civil Disobedience* and other books. He is a member of the Council on Foreign Relations.

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Should Taxes Be Indexed?

INDEXING THE INFLATIONARY IMPACT OF TAXES: THE NECESSARY ECONOMIC REFORM. *By Donald J. Senese.* (The Heritage Foundation, Washington, D.C., 1978.)

The federal government knows that an increase in taxes to cover budget deficits would precipitate a massive taxpayer revolt, and therefore the inflating of our money supply is a quiet, complicated procedure that escapes the attention of most taxpayers. Furthermore, the federal government receives a "profit" from its inflationary policies because the rising cost of living forces the individual taxpayer into a higher tax bracket, with no real change in real income, and produces an increased amount of revenue for the government.

A number of economists (Milton Friedman being the most noteworthy) have proposed that the personal and corporate income tax be adjusted to allow for yearly increases in inflation. According to Friedman, "These changes in taxes and in borrowing would reduce both the incentive for government to resort to inflation and the side effects of changes in the rate of inflation on the private economy. But they are called for also by elementary principles of ethics, justice, and representative government, which is why I propose making them permanent." (See Milton Friedman, "Monetary Correction," in *Essays on Inflation and Indexation*, pp. 36-37, Washington, D.C.: American Enterprise Institute for Public Policy Research, 1974.) According to an editorial in the New York *Daily News* (February 26, 1978):

> Friedman has calculated that inflation, in a variety of ways, boosted federal revenues by $25 billion in 1973 alone.
>
> A comprehensive new study by the Heritage Foundation cites expert evidence that inflation-induced tax increases alone could bring the U.S. government an estimated $6 billion in 1977 and $50 billion more by 1980. The projection is based upon the realistic assumption of a 6% annual rise in the cost of living.
>
> Indexing — revising the tax structure so that levies apply only to real income — would eliminate that extra gouge.

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> Under the present system, a person who gets a pay hike is bumped into a higher bracket. Uncle Sam takes a bigger bite of the total earnings, ignoring the fact that part of the raise already had been eaten away by inflation.

Dr. Donald Senese has addressed himself to this important question of indexing taxes and produced a thorough analysis of this subject. He details the growth of federal spending and the current problems produced by inflation. His scholarly arguments for and against indexing are thoughtfully researched and presented. After all the facts are presented, he comes to the conclusion that indexation is a policy that, if enacted, will tend to be a brake on inflation-induced tax increases.

He has been a Legislative Assistant in the United States Senate and House of Representatives and is currently a Senior Research Associate with the House Republican Study Committee. An exhaustive and useful bibliography on inflation and indexation is included in this monograph, making it "must" reading for policymakers concerned with taxation.

D. A. W.

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New Books and Articles in Public Policy

Kenneth L. Adelman

"Fear, Seduction and Growing Soviet Strength" (*Orbis*, Winter 1978).

Randy E. Barnett and John Hagel III (editors)

Assessing the Criminal: Restitution, Retribution, and the Legal Process (Ballinger Publishing Company, Cambridge, Massachusetts, 1977).

W. Michael Blumenthal

"The World Economy: Steps Needed for Recovery" (*The Atlantic Community Quarterly*, Winter 1977-78).

Gerard Chaliand

"The Horn of Africa's Dilemma" (*Foreign Policy*, Spring 1978).

Robert DeFina and Murray L. Weidenbaum

The Taxpayer and Government Regulation (The Center for the Study of American Business, Washington University, St. Louis, Missouri, 1978). For more information contact Murray L. Weidenbaum, Director, Center for the Study of American Business, Washington University, Box 1208, St. Louis, Missouri 63130 (314/889-5630).

Harold Demsetz

The Trust Behind Antitrust (International Institute for Economic Research, Los Angeles, California, 1978). For more information contact William Allen, President, International Institute for Economic Research, Suite 1625, 1100 Glendon Avenue, Los Angeles, California 90024 (213/825-2241).

Donald J. Devine

Does Freedom Work? Liberty and Justice in America (Caroline House, Ottawa, Ill., 1978). A University of Maryland political scientist examines the free market-capitalist and liberal society and finds that this form of social organization is both fair and just and is superior to central planning or other forms of authoritarianism.

Emerging Coalitions in American Politics: The Institute for Contemporary Studies will release an anthology by this title in May, 1978. The anthology deals with the history and background of coalition politics, contemporary politics and voting behavior, strains in the party system, and prospects and conclusions on the future of American politics. Contributors include: David Broder of *The Washington Post*, Paul Kleppner of Northern Illinois University, Everett C. Ladd of the University of Connecticut, Gary Orren of Harvard University, Walter deVries of Duke University, Robert Nisbet of Columbia University, and Seymour Martin Lipset of Stanford. Contact Nina Zemo, Director of Production, Institute for Contemporary Studies, 260 California Street, San Francisco, California 94111 (415/398-3010).

Anthony Fisher

Fisher's Concise History of Economic Bungling: A Guide for Today's

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Statesmen (Caroline House Publishers, Inc., Ottawa, Illinois, 1978). The founder of the respected Institute for Economic Affairs in London demonstrates how government interference in the economy has had unexpected results over the centuries. For more information contact Jameson Campaigne, Caroline House Publishers, Inc., 236 Forest Place, Ottawa, Illinois 61350 (815/434-6757).

Marc Geneste

Nuclear Power and Nuclear Myths: The Meaning of Creys Malville (The United States Industrial Council, Nashville, Tennessee, 1978). For more information contact Anthony Harrigan, Executive Vice President, U.S. Industrial Council, P. O. Box 2686, Nashville, Tennessee 37219 (615/256-5961).

Igor S. Glagolev

"The Soviet Decision-Making Process in Arms-Control Negotiations" (*Orbis*, Winter 1978).

Roy Godson

The Kremlin and Labor: A Study in National Security Policy (National Strategy Information Center, Washington, D.C., 1978). For more information contact Sven Kraemer, National Strategy Information Center, 1730 Rhode Island Avenue, N.W., Washington, D.C. 20036 (202/296-6406).

Harvard Journal of Law & Public Policy: This new publication is in its formative stages. Over 55 Harvard law students are working to publish one 250-350 page volume each academic year. The journal has commitments for its first issue from George Roche, William Middendorf, Ernest van den Haag, and John Connally. Contact E. Spencer Abraham, Nine Chauncy Street, #30, Cambridge, Massachusetts 02138 (617/492-8628).

Avigdor Haselkorn

The Evolution of Soviet Security Strategy, 1965-1975 (The National Strategy Information Center, Washington, D.C., 1978).

Joel Havemann

"The Taxpayers' Revolt, Part I — Second Thoughts on Social Security" (*National Journal*, April 1, 1978).

Fred Charles Ikle

"What to Hope for, and Worry About, in SALT" (*The Atlantic Community Quarterly*, Winter 1977-1978).

Michael Ivens and Reginald Dunstan (editors)

Bachman's Book of Freedom Quotations (Bachman & Turner, London, England, 1978, £5.50). A useful collection of quotations, historical and contemporary, on the subject of freedom.

The Journal of International Relations (Winter 1977-78): The latest issue of this quarterly journal of the Council on American Affairs and the American Security Council offers essays by Senator S. I. Hayakawa (SALT), Senator Paul Laxalt (The Canal Treaty), Charles J. V. Murphy (The World and Jimmy Carter), and others. Contact Roger Pearson, Executive Director, Council on American Affairs, 1716 New Hampshire Avenue, N.W., Washington, D.C. 20009 (202/232-1040).

The Journal of Social and Political Studies (Winter 1977): This quarterly

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publication of the Council on American Affairs includes articles by Jack Kemp, M.C. (International Waterways and Soviet Strategy); Jeffrey B. Gayner (The Genocide Treaty); and Count Hans Huyn (Eurocommunism and the Popular Front Movements). Contact Roger Pearson, Executive Director, Council on American Affairs, 1716 New Hampshire Avenue, N.W., Washington, D.C. 20009 (202/232-1040).

Eugene J. McCarthy

"Look, No Allies" (*Foreign Policy*, Spring 1978).

Gerald L. Musgrave (editor)

The Galbraith Viewpoint in Perspective (Hoover Institution Press, Stanford University, Stanford, California, 1977).

John Osborne

White House Watch — The Ford Years (New Republic Books, Washington, D.C., 1977, $11.95).

Madsen Pirie

Trial and Error and the Idea of Progress (Open Court Publishers, La Salle, Illinois, 1978). In the tradition of Sir Karl Popper, the author demonstrates the value to human progress of a pluralistic society.

Rochelle L. Stanfield

"The Taxpayer's Revolt, Part II — Education Aid for Everybody?" (*National Journal*, April 1, 1978).

Roger Starr

"Exporting Environmental Havoc" (*American Spectator*, April 1978).

Richard F. Starr (editor)

1978 Yearbook on International Communist Affairs (Hoover Institution Press, Stanford, California, 1978). For more information contact George Marotta, Assistant Director, Public Affairs and Publications, Hoover Institution on War, Revolution & Peace, Stanford University, Stanford, California 94305 (415/497-0603).

Stephen Rosen

"Will We Throw the Arms Race?" (*American Spectator*, April 1978).

Daniel Shapiro

"The Neoconservatives" (*Libertarian Review*, January-February 1978).

William E. Simon

"Preventing Medicine" (*American Spectator*, April 1978).

Tad Szulc

"Carter's SALT Mines" (*The New Republic*, March 18, 1978).

John C. Topping

How to Reinvigorate Small Business, (A Ripon Policy Paper, The Ripon Society, Washington, D.C., 1978). The editor of the Ripon Forum (who was Chief Counsel to the Office of Minority Business Enterprise, U.S. Department of Commerce) presents some new and stimulating proposals to encourage small business.

Seymour Weiss and Eric Fromm

President Carter's Arms Transfer Policy: A Critical Assessment (The University of Miami Center for Advanced International Studies, Coral Gables, Florida, 1978). For more information contact Mose Harvey, University of Miami Center for Advanced International Studies, P. O. Box 248087, Coral Gables, Florida 33124 (305/284-4303).

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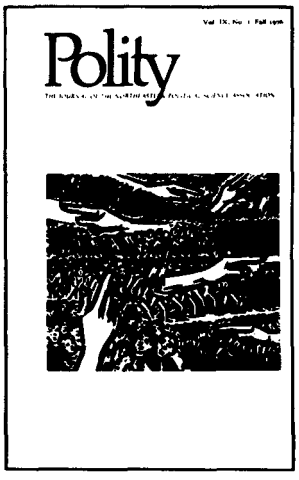
Where We Stand. . . Summaries of Policy Statements 1976-77: Published by the Committee on the Present Danger, this is a booklet of the organization's policy views on national defense to date. Contact Eugene V. Rostow, Chairman of the Executive Committee, Committee on the Present Danger, 1028 Connecticut Avenue, N.W., Washington, D.C. 20036 (202/296-8654).

Compiled by Christopher Thiele



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